

United States Trustee's Motion to Dismiss - Exhibit 1



Valbridge
PROPERTY ADVISORS

Appraisal Report

Vacant Grocery Store
150 Commerce Dr
Columbus, Columbia County, Wisconsin 53925

Report Date: 11-13-2019



FOR:

Furhman and Dodge
Mr. Ronald Trachtenberg, Esq.
Attorney at Law
2501 Parmenter St., Suite 200B
Middleton, Wisconsin 53562

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Valbridge File Number:
IL01-19-0125-000



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Mr. Ronald Trachtenberg, Esq.
Attorney at Law
Furhman and Dodge
2501 Parmenter St., Suite 200B
Middleton, Wisconsin 53562

RE: Appraisal Report
Vacant Grocery Store
150 Commerce Dr
Columbus, Columbia County, Wisconsin 53925

Dear Mr. Trachtenberg:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is located on the east side of Commerce Drive, just south of the intersection of Wisconsin State Highway 60 and 16 and is further identified as tax parcel numbers 11211-1512.02. The subject site is a 3.55960-acre or 155,056-square-foot parcel. The subject is a 36,500-square foot vacant grocery store that originally operated under the Sentry Foods and Ace Hardware banners. It most recently was leased to Maurer's Foods in December 2018. In March 2019, Maurer's announced that the property will be closing its doors and began the liquidating process. The property officially became vacant in May of 2019 and remains vacant as of the effective date of this report. The improvements were constructed in 2015 and are considered in good overall condition. The subject is part of a retail center that is attached to a vacant store that was previously occupied by Shopko, prior to the retailer filing for bankruptcy in January of 2019.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.



The client in this assignment is Furhman and Dodge and the intended users of this report are attorney Ronald Trachtenberg, the law firm of Furhman and Dodge, and the client ownership entity of the subject property and no others. The sole intended use is for dispute resolution and litigation purposes. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- This appraisal is predicated on the extraordinary assumption that hazardous substances do not exist at the subject property. The appraiser, however, is not qualified to detect such substances, including the existence of urea-formaldehyde insulation, radon gas, foam and asbestos insulation, lead paint or other potentially hazardous material that may affect the value of the property. Additionally, no soil survey has been furnished, and it is assumed that no surface or subsurface contaminants are present. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
- It is assumed that the information provided to us by the owner and city/county officials is accurate. Any deviation from how this information was represented to us could result in a change in opinion of value. More specifically, we were provided with a former lease agreement that reported the gross building area of the property to be 36,500-square feet. However, according to county property records, the gross building area was reported to be 38,905-square feet. After conducting a rough measurement via aerial GIS software, the building area reported on the lease appears to be the most accurate figure. Therefore, for purposes of this analysis, we have relied on the 36,500-square figure reported by the lease document.
- The appraiser was not supplied a legal description or survey of the subject property. This appraisal is contingent on the subject site(s) being the size, shape, and dimensions as indicated in this report.
- If any information arise that contradicts the extraordinary assumptions stated above, we reserve the right to re-enter this document and make any changes to the conclusion determined herein that we deem necessary. The use of these extraordinary assumptions may have affected the assignment results.

Hypothetical Conditions:

- We have appraised the property as 'stabilized' as described in this report as of the date of value.

Based on the analysis contained in the following report, our value conclusions are summarized as follows:



Mr. Ronald Trachtenberg, Esq.
Furhman and Dodge
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Value Conclusions

Component	Prospective Upon	
	As Is	Stabilization
Value Type	Market Value	Market Value
Property Rights Appraised	Fee Simple	Leased Fee
Effective Date of Value	October 21, 2019	May 1, 2020
Value Conclusion	\$4,000,000	\$6,300,000
	\$109.59 psf	\$172.60 psf

Respectfully submitted,
Valbridge Property Advisors | Chicago

A handwritten signature in black ink, appearing to read 'Gary K. DeClark'.

Gary K. DeClark, MAI, CRE, FRICS, R/W-AC
Senior Managing Director and Principal
Wisconsin License 261-10
gdeclark@valbridge.com



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Summary of Salient Facts

Property Identification

Property Name	Vacant Grocery Store
Property Address	150 Commerce Dr Columbus, Columbia County, Wisconsin 53925
Latitude & Longitude	43.348649, -89.038514
Tax Parcel Number	11211-1512.02
Property Owner	CCC Lot 2, LLC

Site

Zoning	Light Industrial (I-1)
FEMA Flood Map No.	55021C0606F
Flood Zone	Zone X
Land Area	3.560 acres

Existing Improvements

Property Use	Free Standing Retail Building
Investment Class	C
Occupancy Type	Vacant
Gross Building Area (GBA)	36,500 sf
Net Rentable Area (NRA)	36,500 sf
Number of Buildings	1
Number of Stories	1
Year Built	2015
Condition	Good
Construction Class	C - Masonry
Construction Quality	Good
Surface Parking	126 spaces

Valuation Opinions

Highest & Best Use - As Vacant	Commercial/retail
Highest & Best Use - As Improved	Grocery store
Reasonable Exposure Time	9 to 12 months
Reasonable Marketing Time	9 to 12 months



VACANT GROCERY STORE
SUMMARY OF SALIENT FACTS

Value Indications

Approach to Value	As Is	Prospective Upon Stabilization
Land Only - Sales Comparison	\$310,000	
Cost	\$3,860,000	\$6,090,000
Sales Comparison	\$3,790,000	\$6,020,000
Income Capitalization		
Direct Capitalization	\$4,100,000	\$6,330,000

Value Conclusions

Component	As Is	Prospective Upon Stabilization
Value Type	Market Value	Market Value
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Aerial and Front Views

AERIAL VIEW



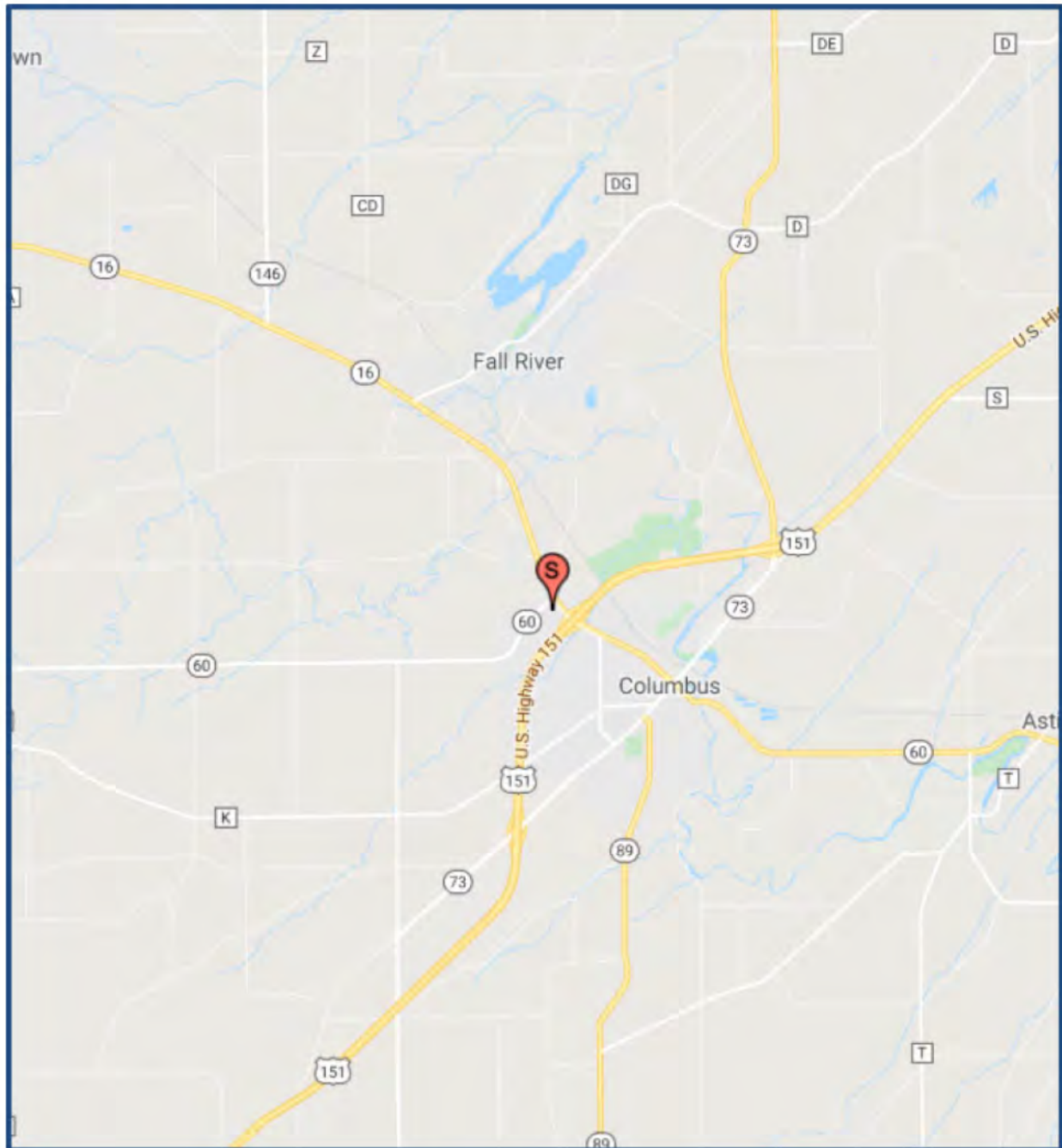
FRONT VIEW





VACANT GROCERY STORE
LOCATION MAP

Location Map





Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Furhman and Dodge and the sole intended users of this report are attorney Ronald Trachtenberg, the law firm of Furhman and Dodge, and the client ownership entity of the subject property. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

- i. The borrower(s) on any loans or financing relating to or secured by the subject property,
- ii. Any guarantor(s) of such loans or financing; or
- iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The sole intended use of this report is for dispute resolution and litigation purposes.

Real Estate Identification

The subject property is located at 150 Commerce Dr, Columbus, Columbia County, Wisconsin 53925. The subject property is further identified by the tax parcel number 11211-1512.02. The subject is a 36,500-square foot vacant grocery store that originally operated under the Sentry Foods and Ace Hardware banners. It most recently was leased to Maurer's Foods in December 2018. In March 2019, Maurer's announced that the property will be closing its doors and began the liquidating process. The property officially became vacant in May of 2019 and remains vacant as of the effective date of this report. The improvements were constructed in 2015 and are considered in good overall condition. The subject is part of a retail center that is attached to a vacant store that was previously occupied by Shopko, prior to the retailer filing for bankruptcy in January of 2019.

Legal Description

A comprehensive survey of the subject property had not been provided to the appraiser(s). Legal description(s) of the subject parcel(s) have not been utilized or considered in this valuation. The subject property is analyzed based on approximate boundaries depicted on maps (or other document) found through our research of records published by commercial and governmental sources, as well as any additional resource material(s) which may be provided by the client and/or its affiliates. Unless specifically stated, all exhibits contained within this appraisal report which depict property boundaries, easements, rights-of-way, or any other type of encumbrance(s) which may affect the subject property have not been independently verified by any employee of Valbridge Property Advisors. For our valuation purposes, the information contained in such exhibits and in our descriptions of the subject property is assumed to be true and accurate and this information serves as the basis for our competitive analysis of the subject property.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a vacant grocery store property.

Use of Real Estate as Reflected in this Appraisal

The opinion of value for the subject as is reflects use as a free standing retail building.



Ownership of the Property

According to public records, title to the subject property is vested in CCC Lot 2, LLC.

History of the Property

Ownership of the subject property has not changed within the past three years.

The subject was completed in April 2015. According to the developer, the building and FF&E reportedly cost approximately \$8.3 million. The property was originally operated under the Sentry Foods and Ace Hardware banners. In March of 2018, the grocer ceased operations as Sentry Foods and rebranded as Columbus Hometown Market. In November 2018 the property was leased to Maurer's Foods. Maurer's Foods operated the subject as Maurer's Market beginning in December 2018. In March 2019, Maurer's announced that the property would be closing its doors and began the liquidation process, exercising a six-month cancellation clause within their lease. Based upon data provided by the client, the store closed in May 2019 and cited poor sales at the subject's location for the closure of the property. Further investigation revealed that the poor sales was due to four years of ongoing road construction within the vicinity of the subject property. The road construction negatively impacted the business at the subject property and the surrounding commercial properties, including the Shopko and neighboring strip center. To further compound the poor sales of the former grocery store, it was reported that the former tenant, Sentry Foods, was not a good fit for this location given the higher priced items sold by the grocer. Lastly, not known by the owner prior to the occupancy of Shopko, the retailer carried approximately 25% food inventory at the store, which negatively impacted the sales of the adjacent subject grocery store. All of these factors resulted in the poor sales of the former tenant and the eventual closing of store at this location. It was reported by the interviewed grocery store specialist, that according to market research, road closures can account for as much as 50% reduction in store revenues. Combining the remaining negative factors that effected the subject property, store sales could be reduced by as much as 60% to 75%, which definitely lead to the demise of the prior tenant.

When appropriate, we have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

Analysis of Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale.

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*



- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.”¹*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	October 21, 2019
Prospective Upon Stabilization Market Value of the Leased Fee Interest	May 1, 2020

We completed an appraisal inspection of the subject property on 10-21-2019.

Date of Report

The date of this report is 11-13-2019.

List of Items Requested but Not Provided

- Title Policy/Legal Description
- Environmental Site Assessment (ESA)
- Plat of Survey

Assignment Challenges

None.

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- This appraisal is predicated on the extraordinary assumption that hazardous substances do not exist at the subject property. The appraiser, however, is not qualified to detect such substances, including the existence of urea-formaldehyde insulation, radon gas, foam and asbestos

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions



insulation, lead paint or other potentially hazardous material that may affect the value of the property. Additionally, no soil survey has been furnished, and it is assumed that no surface or subsurface contaminants are present. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

- It is assumed that the information provided to us by the owner and city/county officials is accurate. Any deviation from how this information was represented to us could result in a change in opinion of value. More specifically, we were provided with a former lease agreement that reported the gross building area of the property to be 36,500-square feet. However, according to county property records, the gross building area was reported to be 38,905-square feet. After conducting a rough measurement via aerial GIS software, the building area reported on the lease appears to be the most accurate figure. Therefore, for purposes of this analysis, we have relied on the 36,500-square figure reported by the lease document.
- The appraiser was not supplied a legal description or survey of the subject property. This appraisal is contingent on the subject site(s) being the size, shape, and dimensions as indicated in this report.
- If any information arise that contradicts the extraordinary assumptions stated above, we reserve the right to re-enter this document and make any changes to the conclusion determined herein that we deem necessary. The use of these extraordinary assumptions may have affected the assignment results.

Hypothetical Conditions

- We have appraised the property as 'stabilized' as described in this report as of the date of value.



Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via county records.
- Economic Characteristics - Economic characteristics of the subject property were identified via information provided by the property owner, market surveys, discussions with market participants, and our database, as well as a comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via an appraisal inspection that consisted of exterior and interior observations.

Extent to Which the Property Was Inspected

We inspected the subject on 10-21-2019. The improvements were not measured during the course of the inspection.

Type and Extent of Data Researched

We researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. We also interviewed people familiar with the subject market/property type. We also reviewed a grocery store retail market analysis prepared by Keith Wicks of Keith Wicks and Associates.

Type and Extent of Analysis Applied (Valuation Methodology)

We observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on that highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the cost approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.
- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.



- Income Capitalization Approach - In the income capitalization approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

All of these approaches to value were considered. We assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment the Cost, Sales Comparison and Income Capitalization Approaches were developed. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

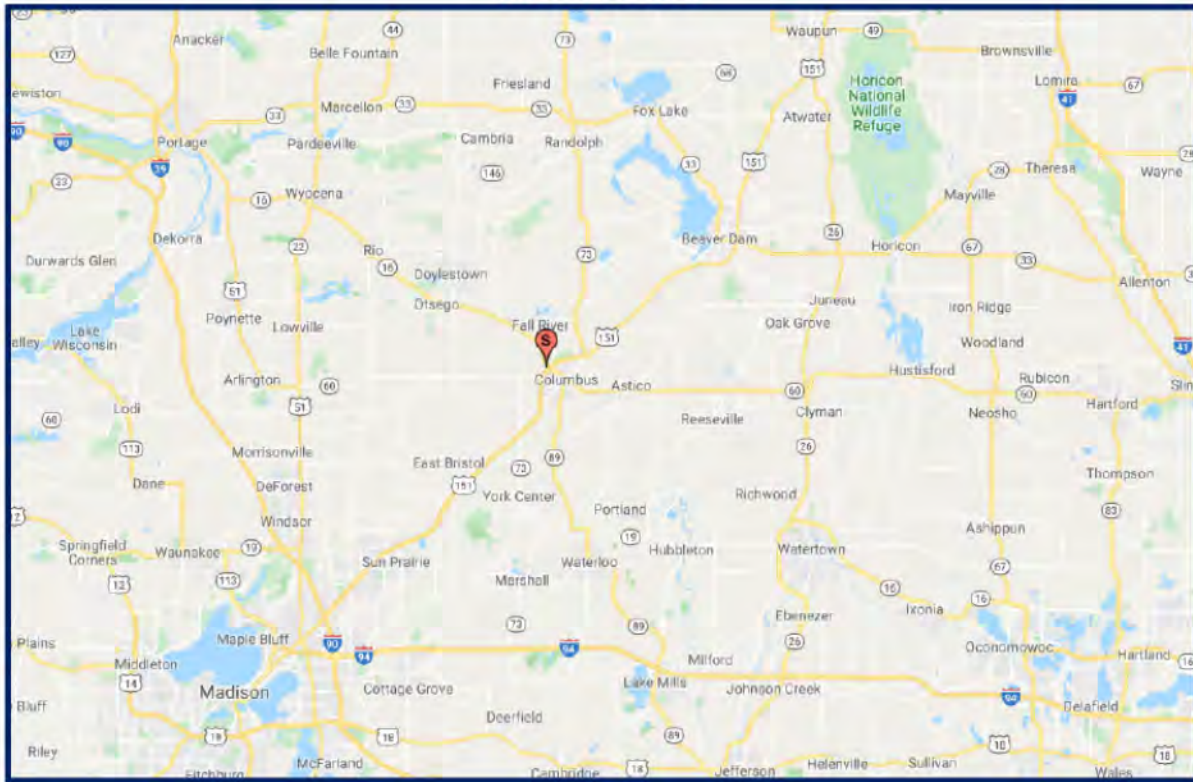
It is common for the subject property type to include personal property generally identified as furniture, fixtures and equipment (FF&E). According to documentation provided by the owner, the complete FF&E package for the subject property cost \$2,111,700 new. However, according to the documentation, approximately \$161,700 was provided to Ace Hardware and therefore, the total invoiced amount for the grocery store component was approximately \$1,950,000, including general conditions, contingencies, taxes and freight.

Items of personal property for the subject property include but are not limited to coolers, freezers, meat prep, bakery prep, racking/shelving systems, cash registers, decor, computers, etc. A complete itemized FF&E package along with cost new can be found in the Addenda. It should be noted, however, that a current depreciated book value of all personal property/FF&E items was not provided for this analysis. Nonetheless, the age of FF&E is only four to five-years-old given the property was constructed in 2015 and the first tenant occupied the property early 2015. Typical grocery store personal property has a total use life of approximately 7 to 13 years, or an average of approximately 10 years. Therefore, based on the average useful life of 10 years, the equipment is approximately 40% to 50% depreciated on a straight-line basis, indicating an approximate current book value of \$1,056,000 to \$1,267,000 (based on total cost new). For purposes of this analysis, we have used a stabilized book value of \$1,200,000, which is also in-line with Keith Wicks grocery store retail market analysis estimate of \$1,000,000 to \$1,400,000.



Regional and Market Area Analysis

REGIONAL MAP



Overview

The subject is located in Columbus, in Columbia County. It is part of the Madison MSA. Its county seat and largest city is Portage. The county was created in 1846 as part of Wisconsin Territory. Adjacent counties include Marquette County to the north, Green Lake County to the northeast, Dodge County to the east, Dane County to the south, Sauk County to the west along with Juneau and Adams County to the northwest. Columbia County is located approximately 80 miles west of Milwaukee and 145 miles northwest of Chicago.

Population

Population characteristics relative to the subject property are presented in the following table.

Population

Area	2000	2010	Annual % Change 2000 - 10	Estimated 2019	Projected 2024	Annual % Change 2019 - 24
United States	281,421,906	308,745,538	1.0%	332,417,793	345,487,602	0.8%
Wisconsin	5,363,675	5,686,986	0.6%	5,881,444	6,008,411	0.4%
Madison, WI MSA	535,421	605,435	1.3%	673,045	713,767	1.2%
Columbia County, WI	52,468	56,833	0.8%	58,750	59,969	0.4%
Columbus City, WI	4,521	4,984	1.0%	5,263	5,409	0.6%

Source: Site-to-Do-Business (STDB Online)



Transportation

Major transportation routes in the larger area include the I-39, I-90 and I-94 expressways. Overall automobile and truck access to area highways is good. I-39, I-90 and I-94 expressways intersect at Madison, connecting the city to Milwaukee, Chicago, Rockford, Illinois, Minneapolis-St. Paul, and Wausau. U.S. Routes US-12, US-14, US-18, US-51 and US-151 connect the city with Dubuque, Iowa, the Wisconsin cities of La Crosse and Janesville, Fond du Lac and Manitowoc. The Beltline is a six-to-eight lane freeway on the south and west sides of the Madison metro area and is the main link from downtown to the southeast and western suburbs.

Employment

Based on the data below, the two largest industries by employment for Columbia County are Services and Manufacturing, which combined account for 47% of the workforce.

Employment by Industry - Columbia County, WI

Industry	2019 Estimate	Percent of Employment
Agriculture/Mining	787	2.50%
Construction	2,929	9.30%
Manufacturing	5,385	17.10%
Wholesale trade	882	2.80%
Retail trade	3,023	9.60%
Transportation/Utilities	1,764	5.60%
Information	472	1.50%
Finance/Insurance/Real Estate Services	1,795	5.70%
Services	12,566	39.90%
Public Administration	1,921	6.10%
Total	31,493	100.0%

Source: Site-to-Do-Business (STDB Online)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the Region boasts one of the lowest unemployment rates for metropolitan statistical areas in the country at 2.5 percent.

Unemployment Rates

Area	YE 2012	YE 2013	YE 2014	YE 2015	YE 2016	YE 2017	YE 2018	YTD 2019
United States	7.9%	6.7%	5.6%	5.0%	4.7%	4.1%	3.9%	3.7%
Wisconsin	6.9%	6.2%	4.9%	4.3%	3.7%	3.0%	3.0%	3.2%
Madison, WI MSA	4.8%	4.2%	3.2%	2.9%	2.5%	2.0%	2.1%	2.3%
Columbia County, WI	6.9%	5.9%	4.4%	3.8%	2.9%	2.4%	2.5%	2.5%
Columbus City, WI	--	--	--	--	--	--	--	--

Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare favorably to the state and the country.

**Median Household Income**

Area	Estimated 2019	Projected 2024	Annual % Change 2019 - 24
United States	\$60,548	\$69,180	2.9%
Wisconsin	\$59,087	\$67,243	2.8%
Madison, WI MSA	\$72,690	\$81,612	2.5%
Columbia County, WI	\$65,594	\$74,803	2.8%
Columbus City, WI	\$65,100	\$73,407	2.6%

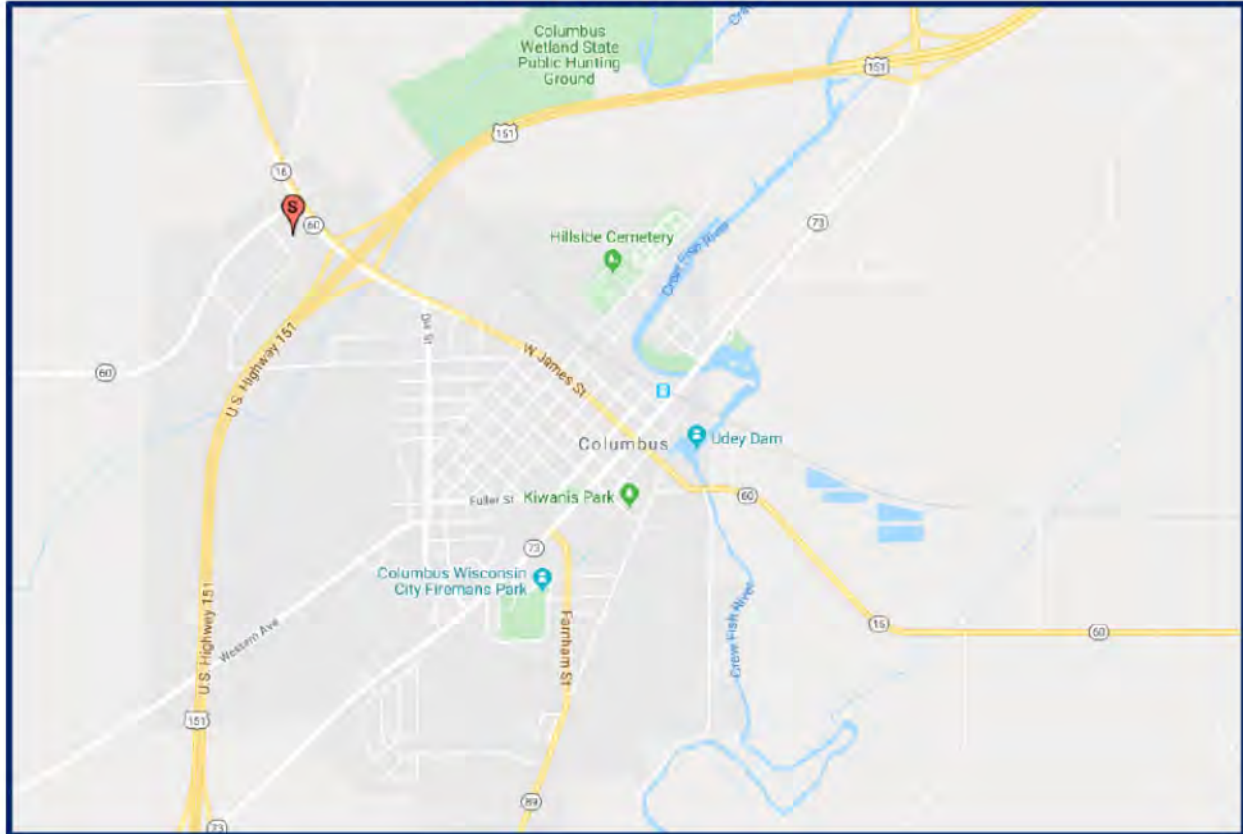
Source: Site-to-Do-Business (STDB Online)

Conclusions

The subject property draws the regional pull of the Madison MSA. Madison will strengthen in coming quarters thanks to a stable healthcare cluster and strong growth in consumer and professional services. As a result, house price appreciation will continue and homebuilding will accelerate. A slowdown in state payrolls clouds the near-term outlook somewhat but not enough to offset the substantial gains elsewhere. In the long term, favorable migration patterns, a well-educated populace, and fast-growing high-tech industries will keep the Madison MSA above the national average. Overall, Columbia County is expected to grow at a more marginal rate as compared to the greater MSA region.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in Columbus in Columbia County. As presented in the table in the previous section, the city's population as of 2019 was 5,263. The City of Columbus is situated in southeast Columbia County, about 25 miles northeast of Madison, and 15 miles southwest of Beaver Dam.

This local area of Columbus is characterized by minor commercial and industrial development.

Neighborhood Location and Boundaries

The subject neighborhood is located in the northwest section of Columbus. The area is suburban in nature. The neighborhood is bounded by State Highway 60 to the north, Railroad to the east, Maple Avenue to the south, and State Highway 60 to the west.

Demographics

The following table depicts the area demographics in Columbus within a one-, three-, and five-mile radius from the subject.



Neighborhood Demographics

Radius	0 - 1 mile	1 - 3 mile	3 - 5 mile
Population Summary			
2000 Population	805	5,484	1,427
2010 Population	870	6,287	1,663
2019 Population	934	6,623	1,730
2024 Population Estimate	966	6,803	1,770
Annual % Change (2019 - 2024)	0.7%	0.5%	0.5%
Housing Unit Summary			
2000 Housing Units	358	2,224	580
% Owner Occupied	69.8%	65.1%	73.3%
% Renter Occupied	26.8%	30.4%	19.3%
2010 Housing Units	411	2,702	713
% Owner Occupied	68.6%	62.9%	70.3%
% Renter Occupied	25.3%	30.2%	20.2%
2019 Housing Units	439	2,829	741
% Owner Occupied	68.3%	62.6%	69.5%
% Renter Occupied	26.4%	31.0%	21.1%
2024 Housing Units	457	2,918	763
% Owner Occupied	67.6%	63.3%	69.9%
% Renter Occupied	26.5%	29.8%	19.9%
Annual % Change (2019 - 2024)	0.8%	0.6%	0.6%
Income Summary			
2019 Median Household Income	\$57,396	\$68,856	\$71,890
2024 Median Household Income Estimate	\$63,486	\$76,875	\$78,033
Annual % Change	2.0%	2.2%	1.7%
2019 Per Capita Income	\$32,762	\$35,947	\$32,240
2024 Per Capita Income Estimate	\$38,850	\$41,029	\$35,794
Annual % Change	3.5%	2.7%	2.1%

Source: Site-to-Do-Business (STDB Online)

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. The subject property is located to the northwest of the US Highway 151/State Highway 60 (James Street) interchange. US Highway 151 provides access to Madison, approximately 25 miles to the southwest, and to Beaver Dam, 15 miles to the northeast. James Street provides access to downtown Columbus, approximately 1.5 miles to the southeast of the interchange. Access to the area is considered good.

Neighborhood Land Use

The subject neighborhood is located in an area with primarily commercial land uses and vacant land. An approximate breakdown of the development in the area is as follows:



LAND USES

Developed	75%
<i>Residential</i>	45%
<i>Retail</i>	10%
<i>Office</i>	5%
<i>Industrial</i>	15%
Vacant	25%
Total	100%

In general, the area to the northwest of US Highway 151 consists of a combination of vacant land and newly developed retail properties, including the subject, and the area to the southeast of US Highway 151 consists of retail uses, primarily along James Street, and other miscellaneous office and light industrial uses. Commercial uses within the immediate area of the subject include a vacant Shopko Hometown, situated adjacent to the subject and to the southeast, and a recently completed retail strip center, which is currently 15% occupied by RE/Max. The primary retail corridor within Columbus is situated to the southeast of the US Highway 151 and along James Street. Retailers situated along James Street include a 23,700 square-foot Pick 'n Save grocery store, a Walgreens, and several fast food restaurants and gas stations/convenience stores that cater to traffic traversing along the US Highway 151. The Columbus downtown commercial district is located approximately 1.5 miles to the southeast of the subject, and in the eastern portion of the community.

The majority of residential development is to the southeast of the neighborhood, and primarily consists of single-family homes. According to information obtained from ESRI, approximately 31% of the homes within a five-mile radius of the subject were built before 1940, and 29% were built after 1990. The median home value within a five-mile radius is approximately \$196,000.

New Development

The majority of recent commercial growth in the area has occurred within the immediate vicinity of the subject. The developer of the subject property also developed the 36,300 square-foot Shopko Hometown store, located adjacent to the subject. Additionally, in 2015 the developer completed a 10,000 square-foot retail strip center located to the south of the subject, which is currently 15% leased to RE/Max. Additionally, a recently completed Ford Dealership is located approximately ¼ of a mile to the southwest of the subject. Additional vacant land is available for commercial development, primarily to the southwest of the subject property.

Conclusions

In summary, the neighborhood is considered a good commercial location in Columbus, as it is close to area highways and major employment centers. Columbus is home to a wide variety of businesses, from fine local dining establishments and specialty shops to several small to large manufacturing companies. Additionally, a new Tax Incremental Financing District (TIF) near the Hwy 16/60 & US Hwy 151 interchange was created by the Columbus City Council to provide incentives for development on the City's northwest side. Furthermore, its proximity to the Madison area provides a strong stable base for future commercial demand within the area. The subject property appears to conform well to



surrounding neighborhood infrastructure and support services. Recent growth in the neighborhood has primarily been related to a mix of commercial and industrial development, which appears to be supported by both neighborhood demographics and the primary traffic carriers within the neighborhood. Overall, the subject neighborhood is in the stable stage of its life cycle.



Site Description

The subject site is located on the east side of Commerce Drive, just south of the intersection of Wisconsin State Highway 60 and 16. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	3.55960 Acres or 155,056 SF
Usable Land Area:	3.55960 Acres or 155,056 SF
Usable Land %:	100.0%
Shape:	Slightly Irregular
Average Depth:	485.00 feet
Topography:	Level
Drainage:	Assumed to be adequate
Grade:	At street grade
Utilities:	All Available
Off-Site Improvements:	Typical, including sidewalks, street lights, gutters, curb and curb cuts.
Interior or Corner:	Interior
Signalized Intersection:	No
Excess or Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	Commercial Drive	State Highway 16/West James Street
Street Type:	Commercial	Commercial
Frontage (Linear Ft.):	183.00	280.00
Number of Curb Cuts:	1	0
Traffic Count (Cars/Day):	12,500	3,100

Additional Access

Alley Access:	No
Water or Port Access:	No
Rail Access:	No

Flood Zone Data

Flood Map Panel/Number:	55021C0606F
Flood Map Date:	05-16-2016
Portion in Flood Hazard Area:	0.00%
Flood Zone:	Zone X



Zone X (unshaded) is the designation for areas of minimal flood hazard from the principal source of flood in the area and determined to be outside the 0.2 percent annual chance floodplain.

Other Site Conditions

Soil Type: In the absence of such a report, the soil bearing capacity is assumed to be adequate.

Environmental Issues: An environmental site assessment report was not furnished for our review. An inspection of the property did not reveal any visible or factual evidence of apparent environmental impairment to the site. The appraisers are not considered experts in hazardous materials. The client is advised to obtain an environmental report if further investigation is desired. In addition, a drive-by inspection of the immediate vicinity surrounding the subject did not reveal any uses or hazards that would be expected to pose an apparent risk to the site or would restrict its use.

Easements/Encroachments: We were not provided with a plat of survey or title policy for review in the preparation of this appraisal assignment. However, Valbridge Property Advisors | Chicago Metro assumes there are no reported adverse easements or encroachments on the site and therefore, for purposes of this analysis, we specifically assume that the subject property is not adversely affected by any easements or encroachments. However, based on the fact that the subject site shares a lot with the adjacent Shopko, we have specifically assumed that the subject is encumbered with multiple ingress/egress, reciprocal parking and public utility easements. However, we do not consider these easements to have an adverse effect on the subject property. Typically, these types of access and parking easements are put into place in order to facilitate the development of the shopping centers with multiple ownership entities. Based on the current layout of the shopping center, these easements were put into place in order to allow cross access to and from the subject property and the neighboring sites and parking lots. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

Earthquake Zone: No

Wetlands Classification: None

Adjacent Land Uses

North: Retail gas station and commercial/industrial uses followed by agricultural land

South: Commercial and light industrial use and retention pond

East: Light industrial use and agricultural land

West: Agricultural land and light industrial/self-storage use



Site Ratings

Access: Average
Visibility: Good

Zoning Designation

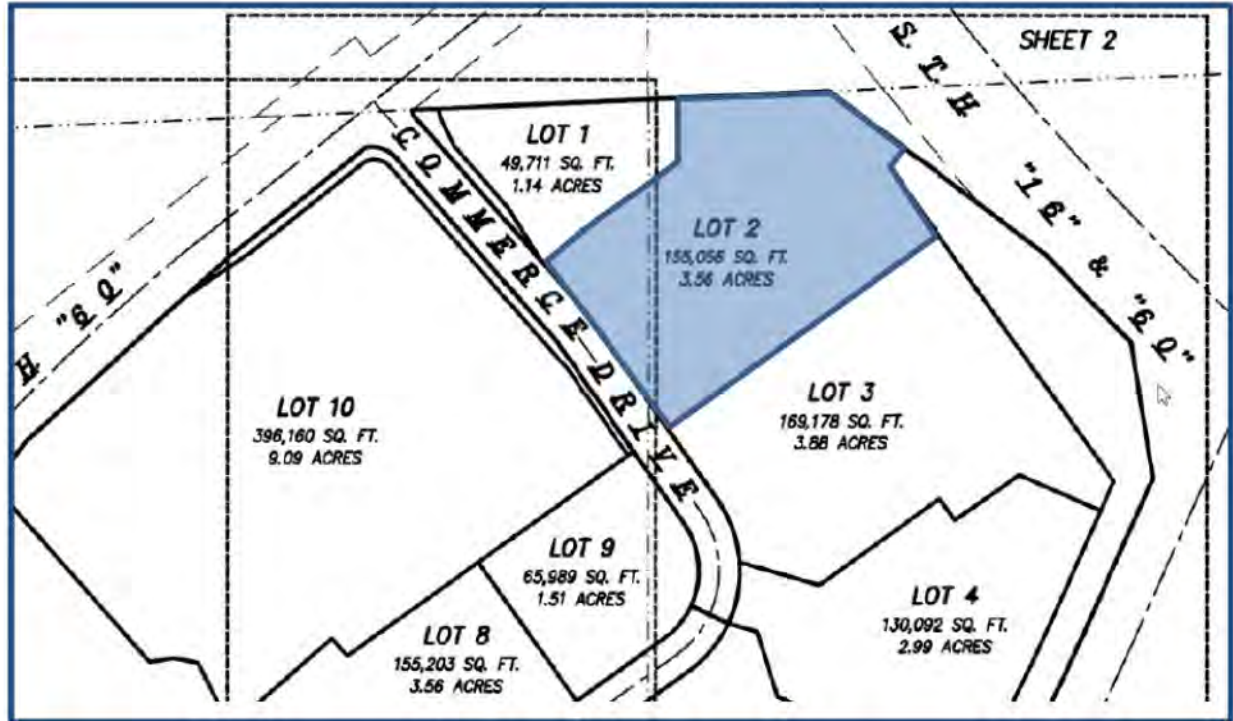
Zoning Jurisdiction: City of Columbus
Zoning Classification: I-1, Light Industrial
General Plan Designation: The I-1 light industrial district accommodates light industrial and support services development within the city and reserves additional lands in appropriate locations for new or relocated industrial and support service uses.
Permitted Uses: Variety of retail, commercial and light industrial uses. Retail establishments between 20,000- to 50,000-square feet are conditional uses subject to approval.
Zoning Comments: The current zoning classification contains certain restrictions regarding permitted uses; minimum lot size; yard setbacks; maximum building area; maximum building height; parking; etc. Improvements on the site would need to either 1-) meet these zoning requirements, 2-) be granted a variance by the local zoning authority for areas that do not conform, or 3-) be considered a legal non-conforming use due to the improvements having been built prior to the establishment of the local zoning guidelines.

Analysis/Comments on Site

The site is well located and afforded average access and good visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Furthermore, the physical characteristics of the subject site are suitable for the current development. Most factors, including its topography, location, and accessibility, are positive attributes. The subject site is more than adequate for uses such as those permitted by zoning, including the current use, and the available utilities adequately serve the site. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.



TAX/PLAT MAP

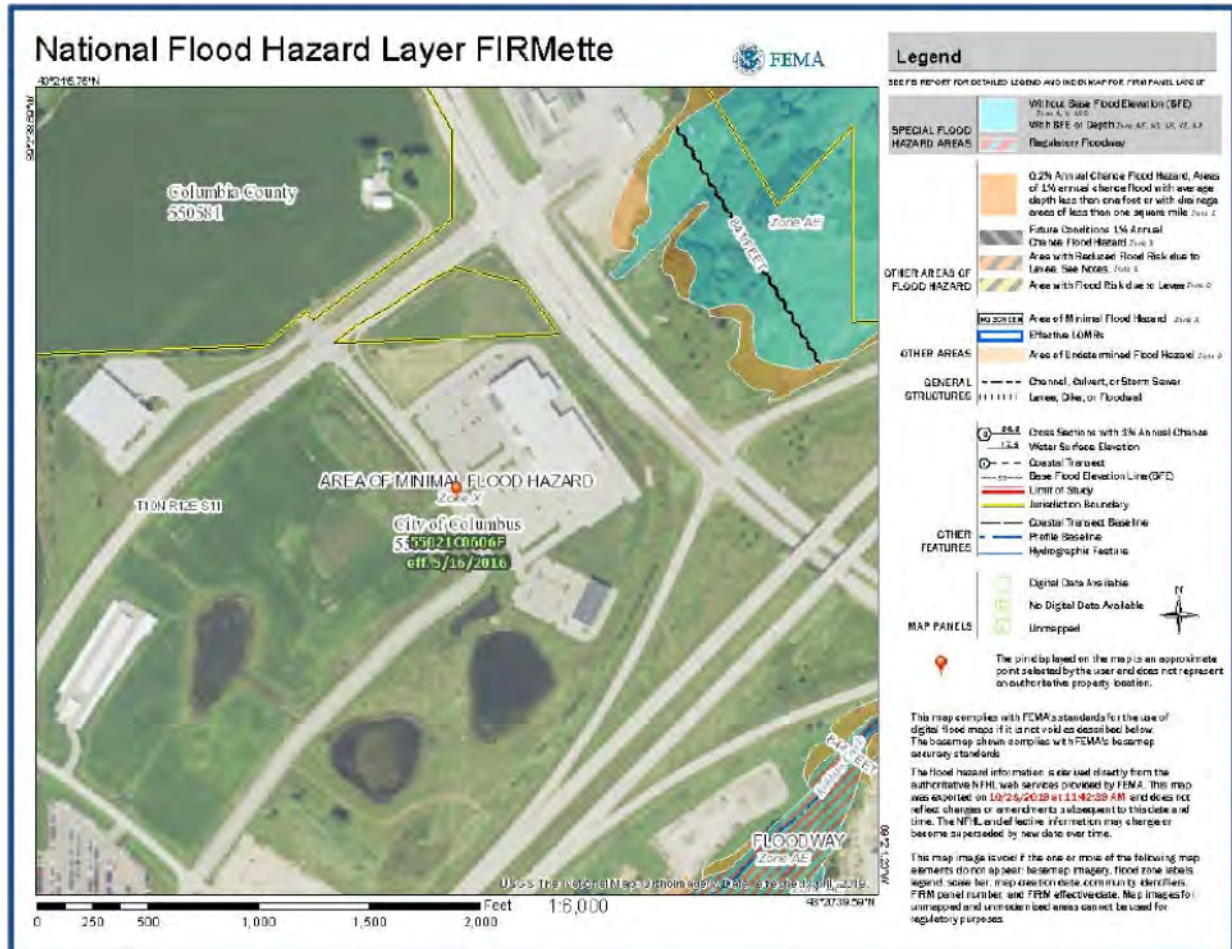




GIS MAP

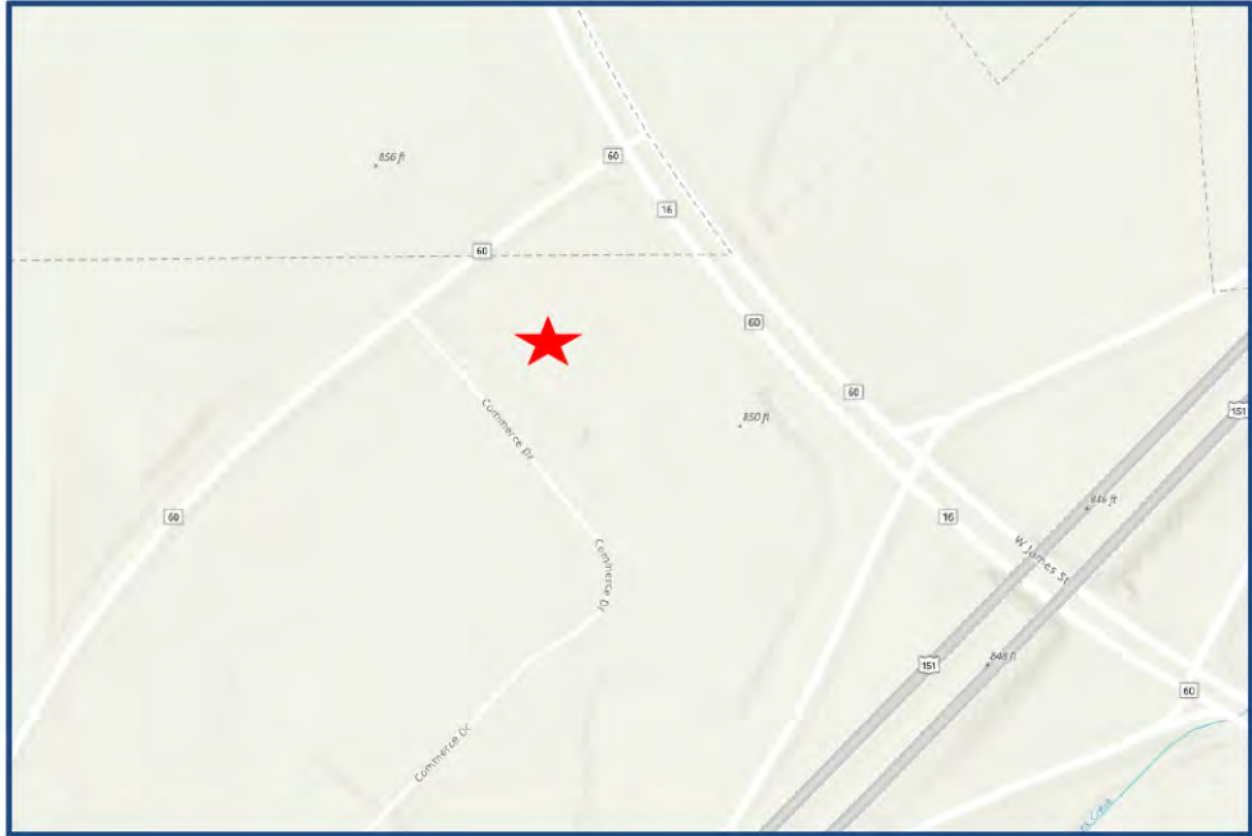


FLOOD MAP



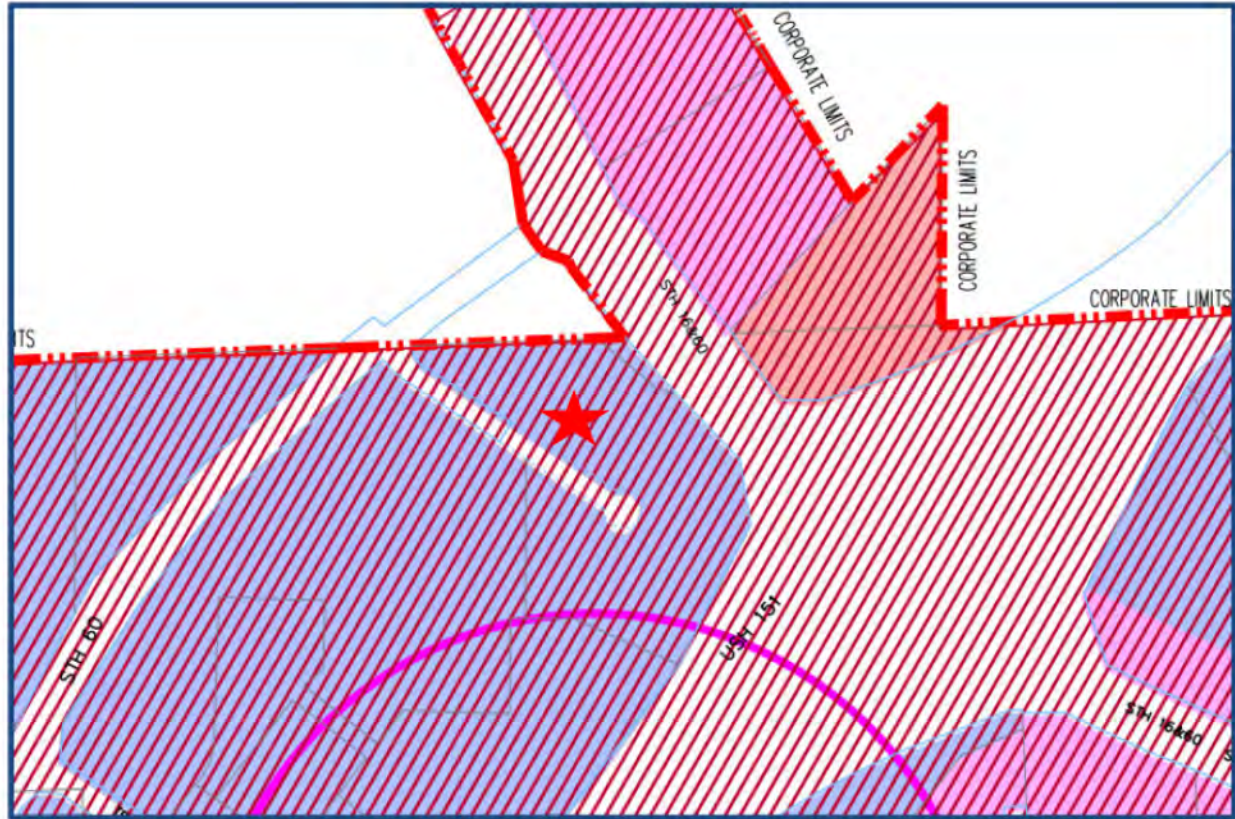


TOPOGRAPHIC MAP





ZONING MAP



LEGEND

- MIXED USE OVERLAY DISTRICT
- SIGN OVERLAY HIGHWAY INTERCHANGE DISTRICT
- SIGN OVERLAY HISTORIC DISTRICT
- 500 FT SANITARY WWTP OVERLAY DISTRICT
- 1200 FT RADIUS WELL OVERLAY DISTRICT
- R1 RESIDENTIAL SINGLE-FAMILY (LOW DENSITY)
- R2 RESIDENTIAL SINGLE-FAMILY (MEDIUM DENSITY)
- R3 RESIDENTIAL SINGLE-FAMILY (HIGH DENSITY)
- R4 RESIDENTIAL MULTI-FAMILY
- R5 MOBILE HOME PARK
- RD RURAL DEVELOPMENT
- CBD CENTRAL BUSINESS DISTRICT
- B1 GENERAL COMMERCIAL
- B2 HIGHWAY COMMERCIAL
- C-1 CONSERVANCY
- RECREATION
- I INDUSTRIAL



Improvements Description

The subject is a 36,500-square foot vacant grocery store that originally operated under the Sentry Foods and Ace Hardware banners. It most recently was leased to Maurer's Foods in December 2018. In March 2019, Maurer's announced that the property will be closing its doors and began the liquidating process. The property officially became vacant in May of 2019 and remains vacant as of the effective date of this report. The improvements were constructed in 2015 and are considered in good overall condition. The subject is part of a retail center that is attached to a vacant store that was previously occupied by Shopko, prior to the retailer filing for bankruptcy in January of 2019.

Improvement Characteristics

Property Type:	Retail
Property Subtype:	Free Standing Building
Occupancy Type:	Vacant
Tenancy:	Single Tenant
Investment Class:	Class C
Number of Buildings:	1
Number of Stories:	1
Construction Class:	C - Masonry per Marshall Valuation Service
Construction Quality:	Good
Gross Building Area (GBA):	36,500 SF (based on Ownership – Lease Document)
Net Rentable Area (NRA):	36,500 SF (based on Ownership – Lease Document)
Mezzanine Area	840 SF (based on Assessor's Property Record Card) – this area is not included in the gross building area/net rentable area. Therefore, the net rentable area encompasses the building footprint of 36,500 SF.

Ratios & Parking

Land-to-Building Ratio:	4.25 to 1 (Usable Land/GBA)
Floor Area Ratio (FAR):	0.24 (based on GBA)
Parking Spaces:	126
Parking Ratio on GBA:	3.45 (per 1,000 sf of GBA)

Age / Life

Year Built:	2015
Renovated/Yr. Renovated:	No
Condition:	Good
Actual Age:	4 years
Effective Age:	4 years
Typical Building Life:	40 years
Remaining Economic Life:	36 years



Structural Characteristics

Foundation:	Concrete slab
Building Frame:	Metal
Exterior Walls:	Masonry, block, metal and driv-it
Roof Type / Material:	Flat / Metal

The exterior walls are primarily decorative concrete block, with brick and stone accents on the front of the building. The side and rear walls have metal covering. The windows are plate glass set in anodized aluminum frames.

Interior Characteristics

Floors:	Sealed concrete, carpeting, vinyl tile and ceramic tile
Walls:	Painted drywall
Ceiling:	Acoustical ceiling tile and exposed support joists
Lighting:	Standard commercial fluorescent fixtures
Restrooms:	The subject property contains two restrooms containing a sink, lavatory, and stalls which is considered adequate and typical for the intended use.

Mechanical Systems

Electrical:	Appears adequate and typical for intended use
Plumbing:	Bathrooms, water heater(s), plumbing and drainage for grocery store (walk-in coolers, coolers, walk-in freezers, freezers, store displays); etc.
Heating:	Forced warm air
Air Conditioning:	Roof-mounted package units
Fire Protection/Sprinklers:	Wet system / 100% sprinklered
Number of Elevators:	0

Site Improvements

Site Improvements:	Typical, including asphalt paved parking, sidewalks, landscaping and adequate parking
Landscaping:	Average

Legal, Conforming Status

Legally Permitted Use:	Yes
Conforms to Parking:	Yes
Conformity Conclusion:	The existing improvements appear to meet the zoning requirements.



Deferred Maintenance

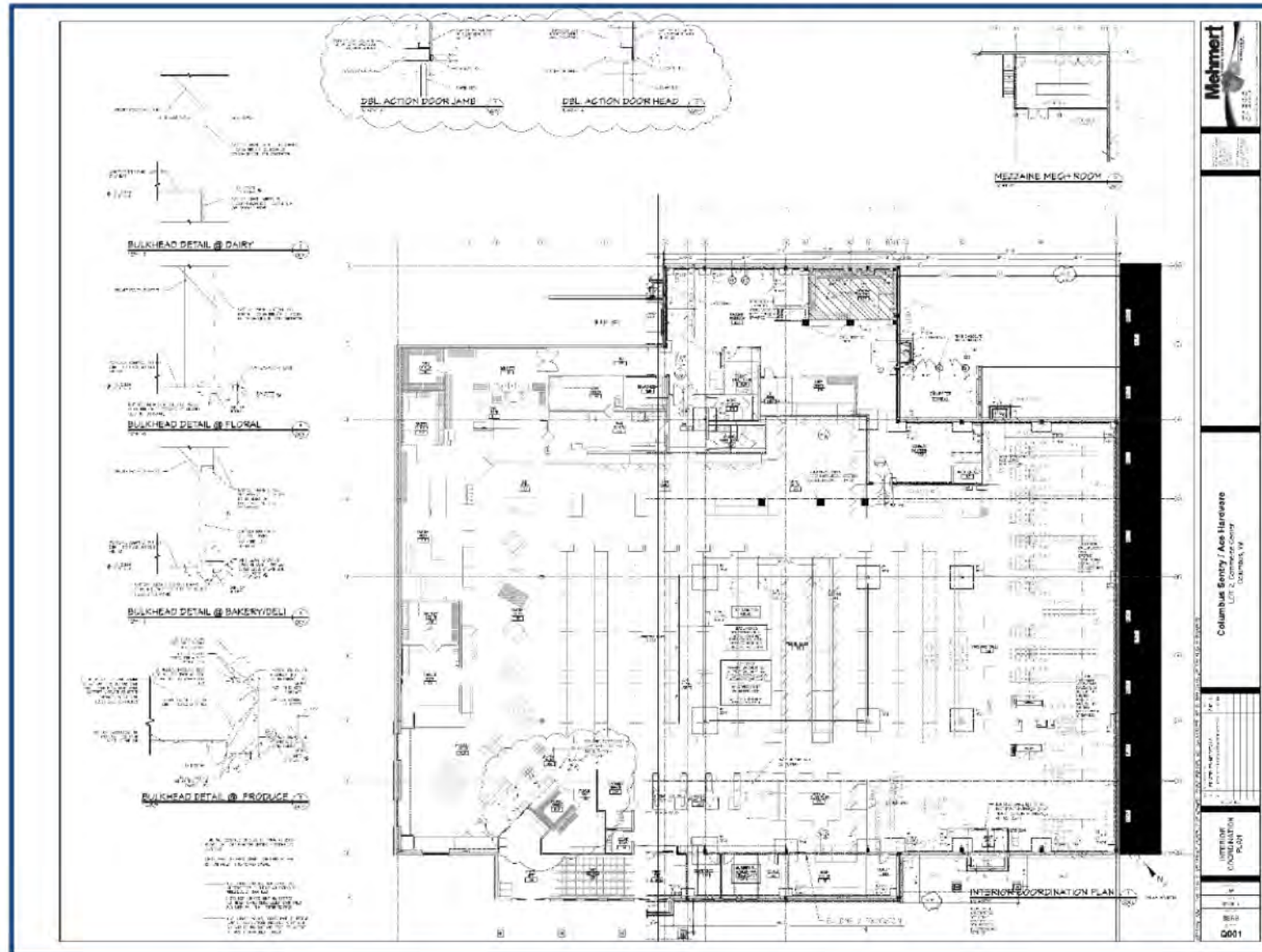
A property conditions report was not provided. The property shows normal wear and tear and there were no items of deferred maintenance noted or reported. Thus, no deductions for deferred maintenance was warranted.

Analysis/Comments on Improvements

The improvements are in good overall condition and are considered to be typical for the age and location as well as interior and exterior amenities. The design, construction type, quality, and condition of the improvements are typical for the market. The interior configuration is typical and not unusual for the use. All of the improvements are one story and there appears to be an appropriate amount of parking. All of the land is considered a primary site and there is no excess or surplus land area. Overall, there are no known factors that adversely impact the marketability of the improvements. The functional utility of the property is good, since it was a build-to-suit for its current use based upon a comparison of similar properties in the market area.

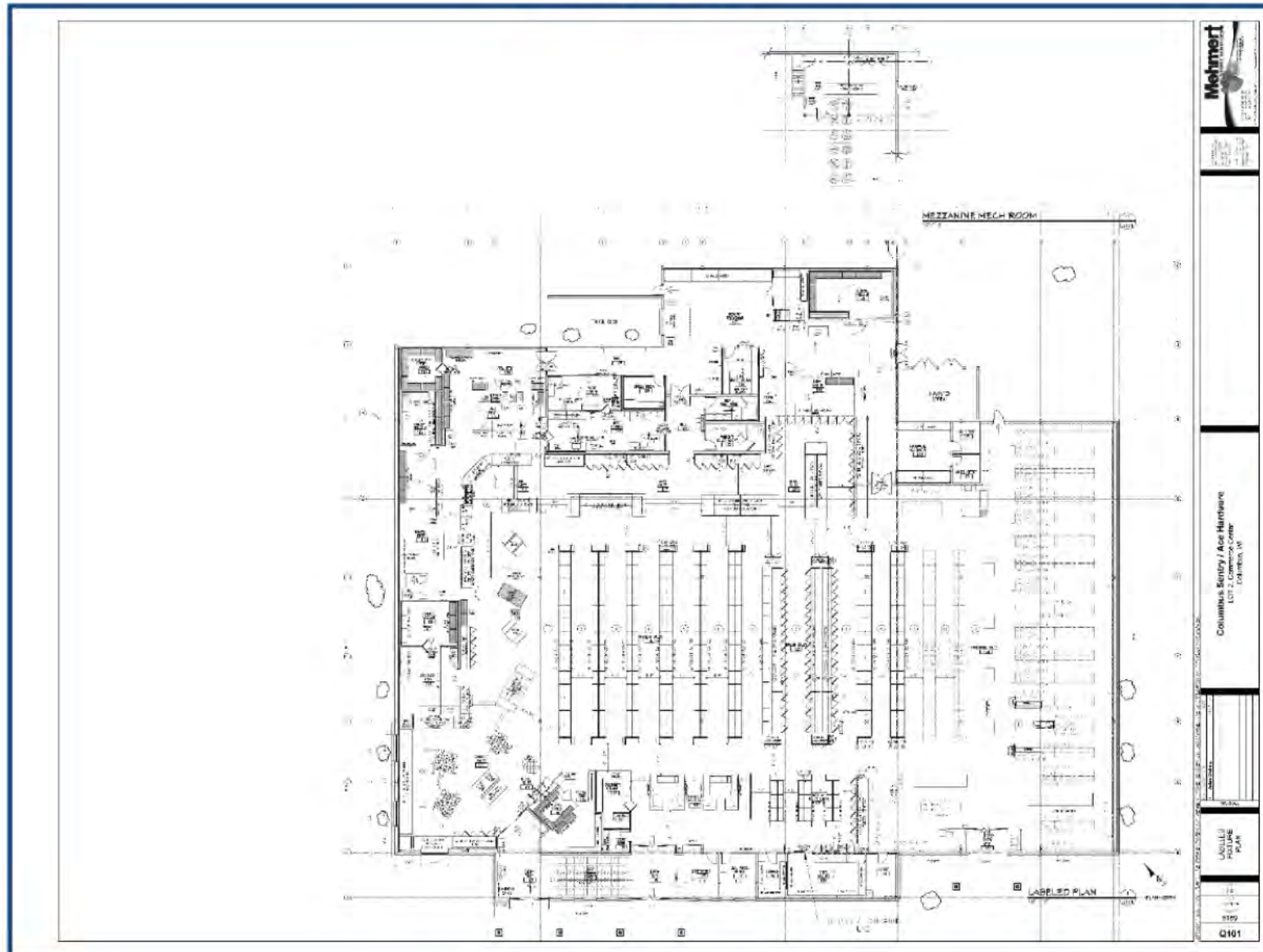


INTERIOR COORDINATION PLAN





LABELLED FIXTURE PLAN



Subject Photos



Exterior view of the subject's front (west) elevation



Exterior View of the subject rear (east) elevation



Interior view of the subject property



Interior view of the rear product storage warehouse area

Additional photos are included in the Addenda



Assessment and Tax Data

Assessment Methodology

Wisconsin has an annual assessment. The assessor may change the assessment because of building permits or sales activity even if he or she did not inspect your property. The law requires that property be valued from actual view or from the best information that can be practicably obtained. Assessment compliance under state law (sec. 70.05(5)(b), Wis. Stats.), each municipality must assess all major classes of property within 10% of full value in the same year, at least once within a five-year period. A 'major class' of property is defined as a property class that includes more than 10% of the full value of the taxation district.

In Wisconsin each incorporated municipality has their own assessor, while unincorporated townships are assessed by the county assessor. The assessed value of a property in Wisconsin is the dollar value placed on a property by the local assessor's office. The equalization factor, also known as the assessment ratio, in Wisconsin is estimated by the Wisconsin Department of Revenue (DOR) for each municipality or township. This ratio is applied to all property, including personal property within the municipality or township, regardless of type or location of the property, in order to estimate what the assessor refers to as the fair market value or equalized value.

Assessments in Wisconsin are generally based upon 100 percent of fair market value. However, in the years between reassessments, the assessment to market value ratio may vary and drop above or below 100 percent. Reassessments in Wisconsin are on an irregular schedule in most communities, but are mandated by state statute within five years when the assessment to market value ratio falls below 90 percent of market value.

Annual tax bills are issued near the end of the calendar year; typically, in mid-December. Taxes are paid in arrears, and are generally payable in two installments due January 31st and July 31st, although this payment schedule varies somewhat by community or county.

Real property sales in Wisconsin are a matter of public record and the local assessor's office is notified of each sale as it occurs. Assessors in the State of Wisconsin employ each of the three traditional approaches to value. Assessors in the State of Wisconsin can reassess the property at the time of sale, using an arm's length sale price as a primary indication of value.

Assessed Values and Property Taxes

The subject's assessed values, applicable tax rates and total taxes, including direct assessments, are shown in the following table:

**Ad Valorem Tax Schedule****Tax Parcel Number: 11211-1512.02**

Columbia County Year	Actual 2017	Actual 2018	Market Estimate Year 1
Appraised Value			
Land:	\$185,351	\$191,906	\$191,906
Improvements:	\$2,713,939	\$2,809,909	\$1,888,594
Total:	\$2,899,290	\$3,001,815	\$2,080,500
Per Square Foot:	\$79.43	\$82.24	\$57.00
% Change:	N/A	3.5%	-30.7%
Assessment Ratio	99.65%	96.25%	96.25%
Assessed Value			
Land:	\$184,702	\$184,710	\$184,710
Improvements:	\$2,704,440	\$2,704,537	\$1,817,772
Total:	\$2,889,142	\$2,889,247	\$2,002,481
% Change:	N/A	0.0%	-30.7%
Tax Rate	\$21.770550	\$21.893500	\$21.893500
% Change:	N/A	0.6%	
Millage Rate	per \$1,000	per \$1,000	per \$1,000
	Actual	Actual	Market Estimate
Tax Expense	2017	2018	Year 1
Tax Amount:	\$62,898	\$63,256	\$43,841
Special Assessments:	-\$64	-\$63	-\$63
Total Taxes:	\$62,834	\$63,192	\$43,778
Per Square Foot:	\$1.72	\$1.73	\$1.20

Assessment Comparables

To evaluate the reasonableness of the Assessor's assessed value for the subject property within the market, we considered the Assessor's assessed values for several comparable properties, which are presented in the table on the following page.

According to our research, there are only 5 retail properties within the immediate vicinity that were constructed after 2000. Therefore, we have considered all of these properties in our assessment for tax comparables. The comparable properties ranged in assessments from \$38.60 to \$128.97 per square foot. Comparable 1 is the most similar to the subject property, as it is the Shopko property directly adjacent to the subject property. It features a similar construction as compared to the subject property. However, it should be noted that its new 2019 assessment has recently decreased to approximately \$62.00 per square foot. Comparable 2 is also within the same sub-division, however, it is the strip center that is only 15% lease to Re-Max. Therefore, it is not fully assessed and falls below the range average. Comparables 3 and 4 are located north of James Street, to the east of U.S. Highway 151 in a superior location. They represent a new strip center anchored by McDonalds and a freestanding Walgreens building, both considered superior to the subject property. Comparable 5 is a bowling alley



located on an oddly shaped parcel and considered to be inferior to the subject in terms of condition and quality. Therefore, the range average, which falls in-line with Comparable 1 is considered to be most similar to the subject property.

Conclusions

Considering the tax comparables presented and the current state of the subject property, we have estimated the Assessor's appraised value for the subject will decrease to \$2,080,500 or \$57.00 per square foot. This indicates an assessed value of \$2,002,481 and a tax burden of \$43,778 or \$1.20 per square foot for the subject property.

Please note that the 2019 assessed value for the subject property is \$2,076,500 or \$56.89 per square foot. According to the local assessor, 2019 was a re-value year and the property is still being assessed as a food store/hardware store. Therefore, a lower stabilized assessment near the new 2019 assessment is considered to be more appropriate in this analysis and also remains in line with the tax comparables detailed above.

According to the Columbia County Tax Assessor the subject's property taxes are current as of the date of value. The assessed value of the subject is less than the market value of the subject. An appeal of the assessed value is not recommended.



VACANT GROCERY STORE
ASSESSMENT AND TAX DATA

Tax Comparables

2018 Tax				Land Size	L-to-B	Building	Year	Appraised Value	
Comp.	Parcel Number	Property Name	Address	(Acres)	Ratio	Size	Built	Total	PSF
1	11211-1512.03	Shopko	200 Commerce Drive	3.880	4.80-to-1	35,204	2012	\$2,540,300	\$72.16
2	11211-1512.04	Retail Shops	250-270 Commerce Drive	2.990	12.39-to-1	10,512	2014	\$519,700	\$49.44
3	11211-1110.30	Walgreens	1500 W. James Street	1.400	4.17-to-1	14,618	2006	\$1,815,000	\$124.16
4	11211-1110.21	Strip Center	1540 W. James Street	1.110	4.85-to-1	9,970	2007	\$1,285,800	\$128.97
5	11211-1110.10	Bowling Alley	277 Industrial Drive	6.850	11.32-to-1	26,352	2006	\$1,017,200	\$38.60
Median						14,618	2007	\$1,285,800	\$72.16
Subject	11211-1512.02	Vacant Grocery Store	150 Commerce Dr	3.560	4.25-to-1	36,500	2015	\$3,001,815	\$82.24



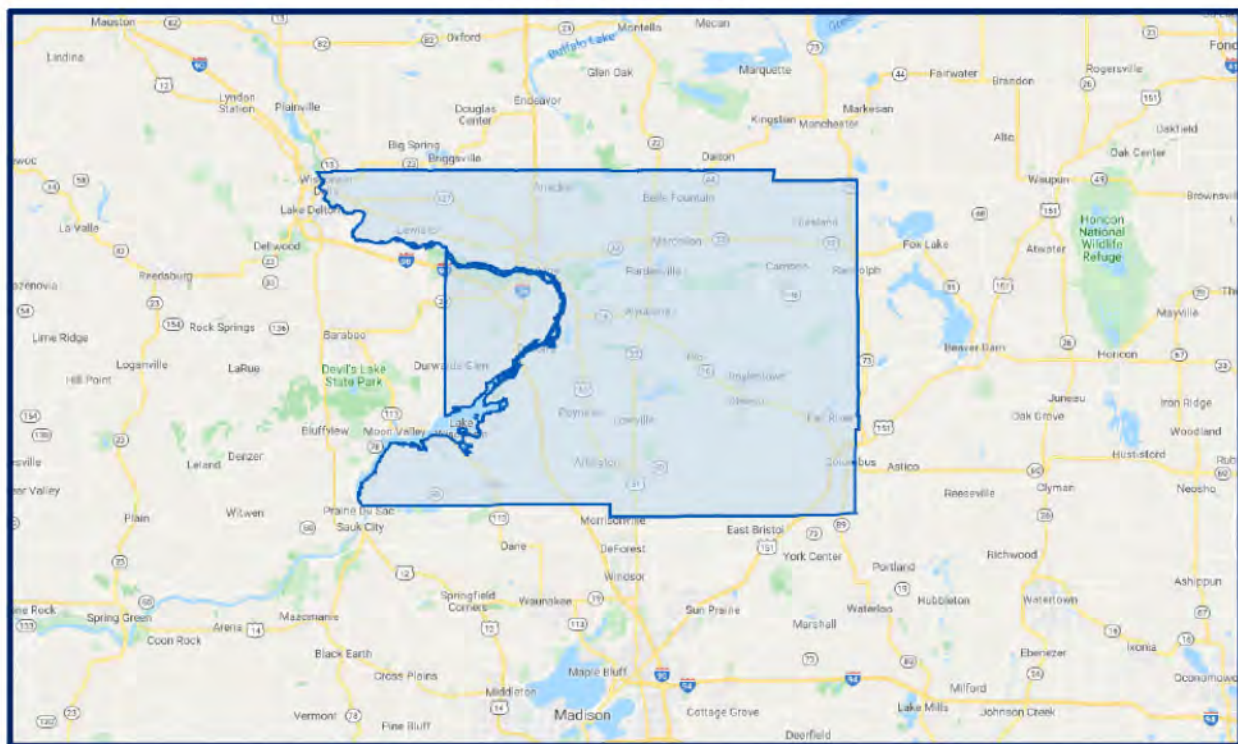
Market Analysis

The following market analysis of the Columbia County retail and retail - post 2000 construction property market is based on data obtained from the CoStar Group, Inc., a leading provider of real estate information services. The analysis presents the subject property's macro and micro retail markets and includes a breakdown of retail - post 2000 construction space.

Columbia County Metropolitan Market

The following is the Columbia County metropolitan retail market map, as presented by CoStar Group, Inc.:

MARKET AREA MAP





The following table illustrates the historical market performance of the Columbia County Metropolitan market:

Retail Market Statistics

Columbia County Market

Quarter	Columbia County - All Retail Space					Columbia County - Retail - Post 2000 Construction Space Only				
	Square Feet		Total	Direct	Direct	Square Feet		Total	Direct	Direct
	Total	Under	Net	Percent	Rental Rate	Total	Under	Net	Percent	Rental Rate
Quarter	Square Feet	Construction	Absorption	Vacant	(Triple Net)	Square Feet	Construction	Absorption	Vacant	(Triple Net)
2019 Q3	2,841,828	0	77,594	3.2%	\$7.22 psf	266,353	0	72,979	6.2%	\$8.03 psf
2019 Q2	2,841,828	0	31,703	5.9%	\$7.14 psf	266,353	0	0	33.6%	\$8.03 psf
2019 Q1	2,841,828	0	18,529	7.0%	\$7.01 psf	266,353	0	-66,679	33.6%	\$8.07 psf
2018 Q4	2,835,828	6,000	-15,225	7.5%	\$6.26 psf	260,353	6,000	-1,003	6.4%	\$10.60 psf
2018 Q3	2,835,828	6,000	14,040	7.0%	\$6.45 psf	260,353	6,000	1,000	6.0%	\$10.19 psf
2018 Q2	2,835,828	0	36,532	7.5%	\$7.73 psf	260,353	0	27,552	6.4%	\$12.90 psf
2018 Q1	2,839,387	0	9,441	8.9%	\$7.82 psf	260,353	0	100	17.0%	\$13.14 psf
2017 Q4	2,839,387	0	-41,570	9.2%	\$7.96 psf	260,353	0	-200	17.0%	\$12.34 psf
2017 Q3	2,839,387	0	-23,647	7.7%	\$7.96 psf	260,353	0	-24,552	17.0%	\$12.34 psf
2017 Q2	2,839,387	0	-20,593	6.9%	\$8.16 psf	260,353	0	-8,000	7.5%	\$12.34 psf
2017 Q1	2,839,387	0	6,000	6.2%	\$7.79 psf	260,353	0	0	4.5%	\$13.14 psf
2016 Q4	2,839,387	0	28,113	6.4%	\$8.07 psf	260,353	0	19,736	4.5%	\$13.14 psf
2016 Q3	2,819,751	19,636	38,171	6.7%	\$7.77 psf	240,717	19,636	3,923	4.9%	\$13.23 psf
2016 Q2	2,819,751	19,636	-7,254	8.1%	\$6.25 psf	240,717	19,636	-6,200	6.5%	\$13.43 psf
2016 Q1	2,832,751	0	2,105	8.2%	\$6.80 psf	240,717	0	9,100	3.9%	\$15.06 psf
2015 Q4	2,832,751	0	1,875	8.3%	\$7.00 psf	240,717	0	-300	7.7%	\$15.06 psf
2015 Q3	2,832,751	0	98	8.4%	\$7.00 psf	240,717	0	1,800	7.6%	\$15.06 psf
2015 Q2	2,822,751	10,000	-75,751	8.1%	\$7.00 psf	230,717	10,000	300	4.3%	\$15.06 psf
2015 Q1	2,822,751	10,000	33,450	5.4%	\$7.36 psf	230,717	10,000	38,905	4.5%	\$14.96 psf
2014 Q4	2,783,846	48,905	-1,800	5.3%	\$7.82 psf	191,812	48,905	-3,200	5.4%	\$14.62 psf

Source: CoStar Group, Inc.

Rental Rates

The Columbia County Metro had a 2019 3rd Quarter average quoted rental rate of \$7.22 per square foot for all retail space, compared to \$6.45 in the 2018 3rd Quarter, or a 11.9% increase over the last year. Quoted rental rates for retail - post 2000 construction space only were approximately 11% higher at \$8.03 per square foot.

Vacancy

The Columbia County Metro has a 2019 3rd Quarter vacancy of 3.2% for all retail space and 6.2% for retail - post 2000 construction space only. Vacancy rates are relatively unchanged over the prior year.

Construction and Absorption

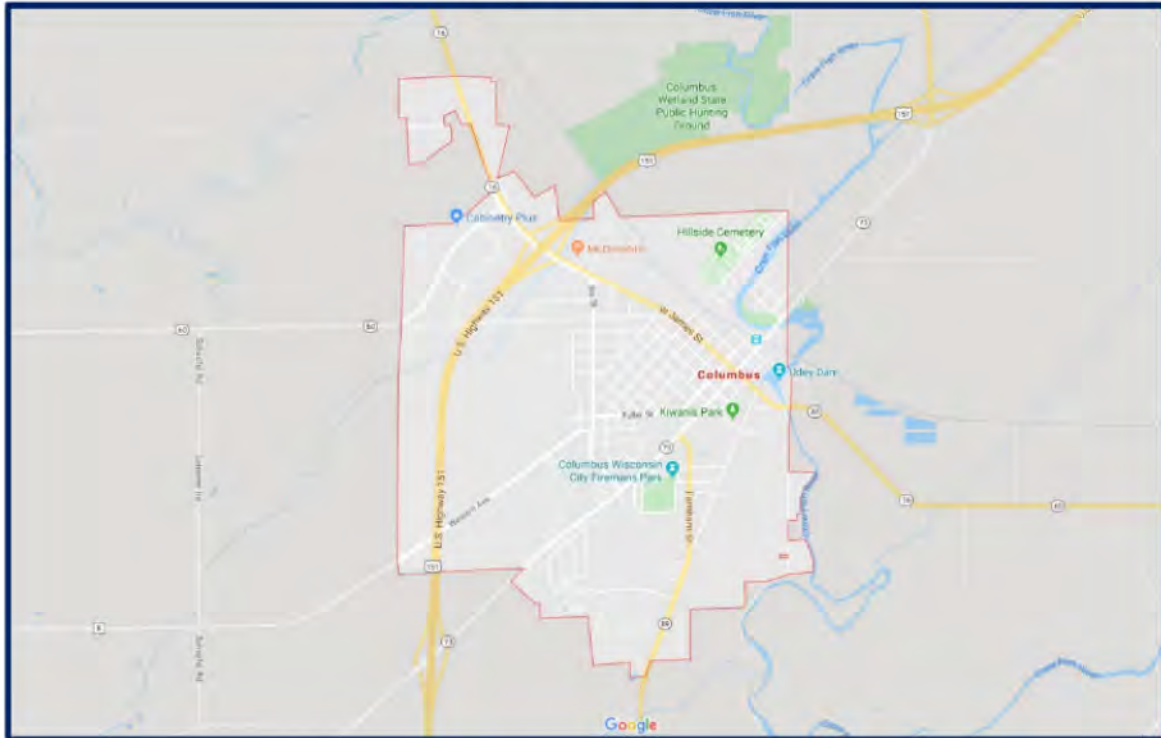
There is currently 0 square feet of retail space under construction in the market, of which 0.0% is retail - post 2000 construction. Net absorption for the prior year was positive.



Columbus WI Submarket

The following is the Columbus WI submarket retail market map, as presented by Google:

MARKET AREA MAP



The following table illustrates the historical market performance of the Columbus WI submarket:



Retail Market Statistics Columbus WI Submarket

Quarter	Columbus WI - All Retail Space					Columbus WI - Retail - Post 2000 Construction Space Only				
	Total Square Feet	Under Construction	Total Net Absorption	Direct Percent Vacant	Direct Rental Rate (Triple Net)	Total Square Feet	Under Construction	Total Net Absorption	Direct Percent Vacant	Direct Rental Rate (Triple Net)
2019 Q3	613,562	0	77,979	3.4%	\$7.38 psf	162,255	0	72,979	6.2%	\$7.48 psf
2019 Q2	613,562	0	0	16.1%	\$7.38 psf	162,255	0	0	51.1%	\$7.48 psf
2019 Q1	613,562	0	-77,502	16.1%	\$7.42 psf	162,255	0	-73,879	51.1%	\$7.53 psf
2018 Q4	613,562	0	-891	3.5%	\$10.19 psf	162,255	0	197	5.6%	\$10.19 psf
2018 Q3	613,562	0	2,800	3.3%	\$10.19 psf	162,255	0	1,000	5.7%	\$10.19 psf
2018 Q2	613,562	0	28,052	3.8%	\$12.90 psf	162,255	0	27,552	6.3%	\$12.90 psf
2018 Q1	613,562	0	-100	8.4%	\$12.90 psf	162,255	0	100	23.3%	\$12.90 psf
2017 Q4	613,562	0	1,000	8.4%	\$12.47 psf	162,255	0	-200	23.4%	\$12.00 psf
2017 Q3	613,562	0	-30,084	8.5%	\$12.47 psf	162,255	0	-26,952	23.3%	\$12.00 psf
2017 Q2	613,562	0	1,018	3.6%	\$12.47 psf	162,255	0	-400	6.7%	\$12.00 psf
2017 Q1	613,562	0	0	3.8%	\$11.15 psf	162,255	0	0	6.4%	\$12.90 psf
2016 Q4	613,562	0	-600	3.8%	\$11.15 psf	162,255	0	100	6.4%	\$12.90 psf
2016 Q3	613,562	0	-135	3.7%	\$10.76 psf	162,255	0	3,923	6.5%	\$12.83 psf
2016 Q2	613,562	0	-9,050	3.7%	\$8.62 psf	162,255	0	-8,600	8.9%	\$13.00 psf
2016 Q1	613,562	0	8,600	2.2%	\$10.90 psf	162,255	0	8,600	3.6%	\$13.66 psf
2015 Q4	613,562	0	700	3.6%	\$10.90 psf	162,255	0	-300	8.9%	\$13.66 psf
2015 Q3	613,562	0	2,712	3.7%	\$10.90 psf	162,255	0	1,800	8.7%	\$13.66 psf
2015 Q2	603,562	10,000	800	2.6%	\$10.90 psf	152,255	10,000	300	3.9%	\$13.66 psf
2015 Q1	603,562	10,000	37,053	2.7%	\$11.14 psf	152,255	10,000	38,905	4.1%	\$13.70 psf
2014 Q4	564,657	48,905	-600	2.5%	\$12.05 psf	113,350	48,905	-100	5.5%	\$13.82 psf

Source: CoStar Group, Inc.

Rental Rates

The Columbus WI submarket had a 2019 3rd Quarter average quoted rental rate of \$7.38 per square foot for all retail space, compared to \$10.19 in 2018 3rd Quarter, or a 27.6% decrease over the last year. Quoted rental rates for retail - post 2000 construction space only were approximately 1% higher at \$7.48 per square foot.

Vacancy

The Columbus WI submarket has a 2019 3rd Quarter vacancy of 3.4% for all retail space and 6.2% for retail - post 2000 construction space only. Vacancy rates are relatively unchanged over the prior year.

Construction and Absorption

There is currently no square feet of retail space under construction in the market, of which none is retail - post 2000 construction. Net absorption for the prior year was negative.

Market Analysis Conclusions

The rental rates trends, inventory and new construction levels, vacancy rates and absorption trends indicate the market is in equilibrium.



Grocery Store Market Overview

The Supermarkets and Grocery Stores industry has grown over the past five years (0.9%), benefiting from a strengthening economy. As per capita disposable income increased during the period, many consumers shifted to premium, organic and all-natural brands, helping lift industry revenue. Conversely, inflationary food costs have caused many consumers to continue purchasing private-label brands even after the recession. While a shift toward more generic goods curbs revenue growth, it helps operators maintain profit margins, as store brands are less costly to produce than national brands. Over the next five years, the industry is anticipated to grow steadily, resulting from rising discretionary income and consumer preferences.

The Supermarkets and Grocery Stores industry is in the mature stage of its life cycle. Current national revenues total more than \$650 billion. There are a total of 66,293 stores and approximately 2.77 million employees working in the industry.

Grocery Store Types

Warehouse Food Stores/Mega Warehouse Stores

A larger community food store where both fresh produce and meats and packaged food items are available for purchase along with general merchandise; typically ranges in size from 90,000 square feet and up with the mega warehouse store being a minimum of 200,000-square feet. Typically, these grocery store types feature approximately 10% to 20% of rear warehouse space for inventory storage.

Grocery Store/Supermarket

A neighborhood food store where both fresh produce and meats and packaged food items are available for purchase; typically ranges in size between 30,000 and 90,000 square feet.

Specialty/Discount Grocery Store

A small retail outlet that focuses on selling a particular product range and associated items; typically ranges in size between 15,000 and 30,000 square feet, with some exceptions.

Investment Classes

The following definitions were provided by a county appraiser's office. It should be noted that additional classification factors are as follows: tenant profile, rental rate, quality of construction, finish-out, specific location, access, visibility and condition of the property in analyzing the comparable sales.

Class A

Wealth distribution, specific location, visibility and/or access greatly contribute to the potential success of the project when compared to others in the market area.

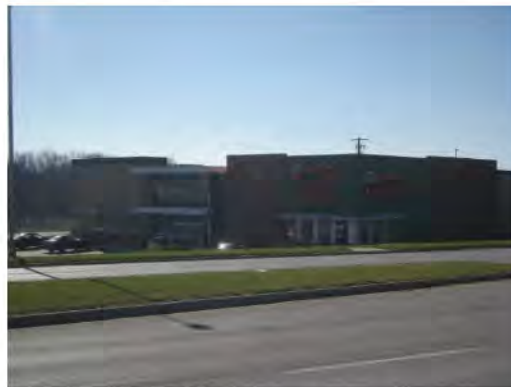
Photo examples of Class A properties are provided below:



Supermarket



Supermarket



Specialty/Discount

Class B

Wealth distribution, specific location, visibility and/or access to the project is above average and has a positive impact to the potential success of the project with comparison to others in the market area.

Photo examples of Class B properties are provided below:



Supermarket



Specialty/Discount



Specialty/Discount

Competition Analysis

The subject's neighborhood is a small community with an estimated population of 5,263 residents. Within the local Columbus trade area, there is only one other grocery store that would present competition to the subject property. Pick 'n, Save is located approximately 1 mile directly to the east of the subject, to the east of US Highway 151. There are no other primary grocery stores in the immediate area, with the nearest primary competition from Piggly Wiggly 16 miles to the north of the subject in Randolph, WI, a Piggly Wiggly and Aldi approximately 15-16 miles to the northeast of the



subject in Beaver Dam, WI another Piggly Wiggly 15 miles to south of the subject in Waterloo WI and finally a Pick 'n Save 16 miles to the southwest of the subject in Sun Prairie, WI. Given the age of the improvements, its tertiary location, and the surrounding demographics, the subject's grocery store is considered a Class C investment grade property.

Slippage/Leakage

According to Site to do Business' Retail MarketPlace Profile report, within a three-mile radius from the subject, there is a demand for nearly \$10.99 million in potential grocery store sales with a current supply of only \$2.72 million in sales. This indicates a total retail leakage of approximately \$8.27 million for Grocery Store sales.

Please note, a positive trade gap indicates a net retail leakage. This is equal to the amount of money spent by local residents outside of the trade area. Conversely, a negative trade gap indicates a net injection of retail sales dollars. This is equal to the amount of money that residents from outside the community spent within the trade area.

According to ESRI, Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales.

The table below summarizes the retail gap for Grocery Store, Specialty Foods and Beer, Wine and Liquor Store sales (collectively known as Food and Beverage Stores), which have a leakage of \$9.81 million, with the largest leakage being in the grocery store industry, indicating the demand far exceeds supply, whereby local residents need to travel outside of the trade area due to a lack of supply within the subject trade area.



Retail MarketPlace Profile

150 Commerce Dr, Columbus, Wisconsin, 53925 2
150 Commerce Dr, Columbus, Wisconsin, 53925
Ring Band: 1 - 3 mile radius

Prepared by Esri
Latitude: 43.34798
Longitude: -89.63888

Summary Demographics						
2019 Population						5,623
2019 Households						2,649
2019 Median Disposable Income						\$52,838
2019 Per Capita Income						\$35,947
2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$90,212,568	\$21,097,157	\$68,515,411	61.2	37
Total Retail Trade	44-45	\$81,579,382	\$18,038,153	\$63,541,229	63.8	25
Total Food & Drink	722	\$8,633,186	\$3,659,004	\$4,974,182	46.5	13
2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$17,596,998	\$2,297,753	\$15,299,245	76.9	2
Automobile Dealers	4411	\$13,917,720	\$0	\$13,917,720	100.0	0
Other Motor Vehicle Dealers	4412	\$2,266,810	\$653,136	\$1,613,674	55.3	1
Auto Parts, Accessories & Tire Stores	4413	\$1,412,468	\$854,053	\$558,415	24.6	1
Furniture & Home Furnishings Stores	442	\$2,649,493	\$959,656	\$1,689,837	46.8	4
Furniture Stores	4421	\$1,565,999	\$0	\$1,565,999	100.0	0
Home Furnishings Stores	4422	\$1,083,494	\$959,656	\$123,838	6.1	4
Electronics & Appliance Stores	443	\$2,664,463	\$0	\$2,664,463	100.0	0
Bldg Materials, Garden Equip. & Supply Stores	444	\$5,771,553	\$2,686,457	\$3,085,096	36.5	5
Bldg Material & Supplies Dealers	4441	\$5,194,425	\$2,352,927	\$2,841,498	27.6	3
Lawn & Garden Equip & Supply Stores	4442	\$577,128	\$333,530	\$243,598	26.7	2
Food & Beverage Stores	445	\$12,608,416	\$2,799,440	\$9,808,976	63.7	1
Grocery Stores	4451	\$10,987,738	\$2,721,598	\$8,266,140	60.3	1
Specialty Food Stores	4452	\$907,867	\$0	\$907,867	100.0	0
Beer, Wine & Liquor Stores	4453	\$712,811	\$0	\$712,811	100.0	0



Conclusion

The subject is one of the only two full-service grocery store in the immediate area. Demand does exceed supply for this industry group indicating a positive retail leakage. The biggest competitor for the subject is a Pick 'n Save located to the immediate east of the subject in an older industrial area. The population of Columbus, Wisconsin and the subject's neighborhood has had similar historical population growth and median household incomes and projected income growth as compared to the Madison MSA. Given the preceding, our outlook for the grocery store market is good.



IBISWorld Report – Warehouse Clubs & Supercenters in the US

The following is information taken from the April 2019 IBISWorld report on the Grocery Store in the US market.

Industry at a Glance

Key Statistics Snapshot

Revenue

\$654.6bn

Profit

\$10.5bn

Annual Growth 14–19

0.9%

Wages

\$66.5bn

Annual Growth 19–24

1.0%

Businesses

42,470

Market Share

The Kroger Co. **16.4%**

Albertsons Companies

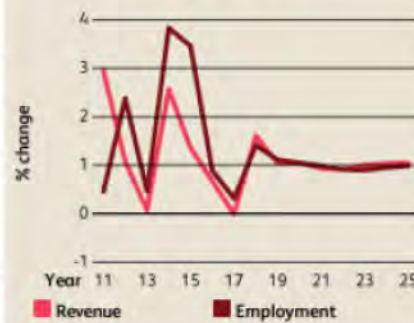
LLC

9.7%

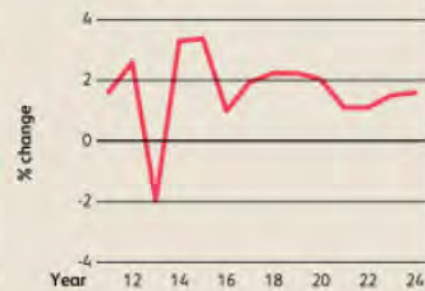
Publix Super Markets Inc.

5.7%

Revenue vs. employment growth



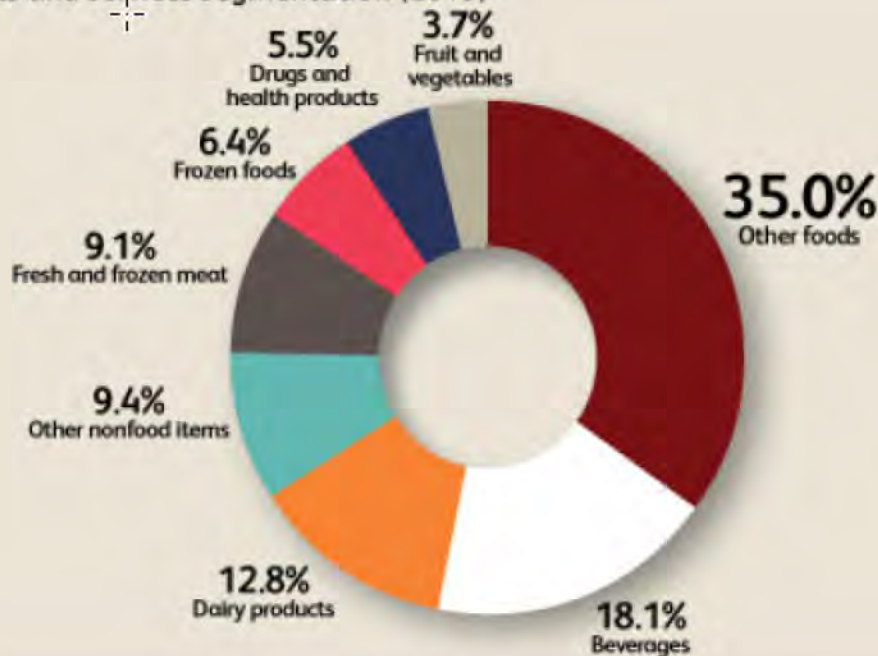
Per capita disposable income



SOURCE: WWW.IBISWORLD.COM

Key External Drivers

Products and services segmentation (2019)





Industry Structure

Life Cycle Stage	Mature	Regulation Level	Medium
Revenue Volatility	Low	Technology Change	Medium
Capital Intensity	Low	Barriers to Entry	Medium
Industry Assistance	Low	Industry Globalization	Low
Concentration Level	Low	Competition Level	High

Executive Summary

The Supermarkets and Grocery Stores industry has grown over the five years to 2019, benefiting from a strengthening economy. As per capita disposable income increased during the period, many consumers shifted to premium, organic and all-natural brands, helping lift industry revenue. Conversely, inflationary food costs have caused many consumers to continue purchasing private-label brands over the past five years. While a shift toward more generic goods curbs revenue growth, it helps operators maintain profit margins, as store brands are less costly to produce than national brands. Overall, industry revenue is expected to grow an annualized 0.9% to \$654.6 billion over the five years to 2019, including a 1.0% increase in 2019 alone.

Despite revenue growth during the period, industry operators experienced intensifying competition from alternative retailers. Consumers turned toward warehouse clubs and supercenters, such as Costco and Walmart, because of the cost savings and convenience of these retailers. Mass merchandisers are able to offer lower prices due to their scale of operations. Consumers also shifted toward limited assortment and fresh format stores like Aldi and Trader Joe's that provide a simpler layout and primarily sell less costly store-brand products. Due to increased competition

from a variety of retailers, many large national grocery chains offered big discounts and promotions to drive foot traffic to their stores and strengthen consumer loyalty. Large operators also engaged in a variety of mergers and acquisitions, as the saturated market prevented organic growth. Due to high consolidation costs and intense price competition, industry profitability is expected to increase only slightly during the period.

Over the five years to 2024, the industry is anticipated to grow steadily, resulting from rising discretionary income and consumer preferences. As health concerns intensify, more consumers will seek all-natural and organic products. Operators are also anticipated to benefit from steadier commodity markets that will cause input costs to rise much more conservatively than in the past. Consequently, industry revenue is forecast to rise at an annualized rate of 1.0% to \$687.6 billion over the five years to 2024. Profit margins are expected to remain stable over the next five years as increasing competition persists but private-label brands and more efficient store layouts prevail.

Industry Performance

Key External Drivers

Per capita disposable income

Per capita disposable income determines an individual's ability to purchase discretionary goods and services. When disposable income declines, consumers limit purchases to essential items and more affordable brands, curbing industry revenue growth. Per capita disposable income is expected to increase in 2019, representing a potential opportunity for the industry.





Agricultural price index

The agricultural price index measures the prices received by farmers for all agricultural products, including livestock and crops. As prices increase, industry operators often raise the price of their merchandise sold to consumers, boosting industry revenue. In 2019, the agricultural price index is expected to rise. Volatility in the agricultural price index could pose a potential threat for operators in the industry.

Urban population

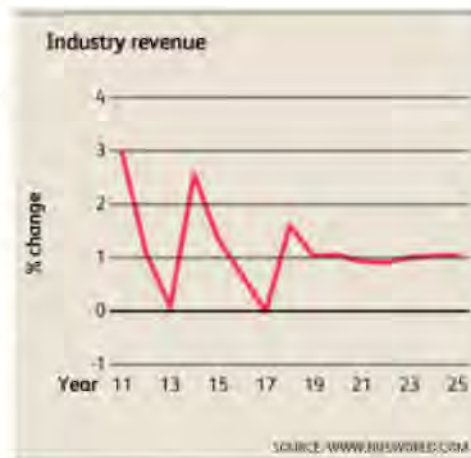
Consumers living in urban populations tend to purchase groceries more frequently from industry establishments instead of wholesale clubs and supercenters. Consequently, as more consumers live in urban areas, foot traffic to supermarkets and grocery stores increases, lifting industry revenue. In 2019, the urban population is anticipated to grow.

Healthy eating index

As consumers become more health conscious, measured by the healthy eating index, they tend to purchase a greater variety of all-natural and organic products. Consequently, as consumers demand a greater variety of premium products, such as organic produce, industry revenue increases. In 2019, the healthy eating index is expected to fall.

Current Performance

The Supermarkets and Grocery Stores industry retails a variety of household goods and edible grocery products, including fresh and prepared meals, poultry and seafood, canned and frozen foods and fruits and vegetables. Over the five years to 2019, industry participants benefited from a strengthening domestic economy and rising disposable income levels, which enabled consumers to purchase more premium goods. The industry has also benefited from growing demand for all-natural and organic products during this period. Despite various economic factors that have supported industry growth, rising competition and changing consumer preferences have threatened many operators, forcing them to generate revenue growth in new ways. Overall, IBISWorld anticipates industry revenue to increase at an annualized rate of 0.9% to \$654.6 billion over the five years to 2019. This includes growth of 1.0% in 2019 alone, driven by strong growth in per capita disposable income.



Growth from nontraditional store formats

As with many large retail industries, establishments in the Supermarkets and Grocery Stores industry come in a multitude of shapes, sizes, formats and specialties. Industry operators range from large-scale conglomerates with thousands of locations to small specialty stores with a single storefront. Due to the diverse nature of store types, certain types of businesses have grown faster than others. Over the past five years, limited assortment stores like Trader Joe's and Aldi have experienced the most rapid growth. These stores are often located in populous areas and are much more compact and efficient than traditional grocery stores. Rather than offering dozens of brands of the same product, these stores provide a more selective offering. Unlike their larger counterparts, limited-assortment stores sell primarily private-label products, which are both less expensive for consumers and more profitable for industry operators. Trader Joe's, the leading supermarket in sales per square foot, sells more than 80.0% private-label goods, all of which are free of GMOs, artificial coloring, trans fat and high-fructose corn syrup. While private-label brands are traditionally perceived as inferior, stores like Trader Joe's have positioned their store brands as premium products without charging premium prices. These limited assortment stores are particularly popular among millennials who are typically more price-sensitive and less brand-driven shoppers.

Per capita disposable income is expected to rise an annualized 2.1% over the five years to 2019. Improving discretionary income has enabled consumers to purchase a wider variety of premium grocery items, specifically organic products. Growing health and environmental concerns have also driven consumers to purchase more all-natural and organic food. According to research conducted by the Organic Trade Association, over 82.0% of households purchase organic products, and nearly 14.0% of all fruits and vegetables purchased are organic. Overall, organic and all-natural product sales have grown tremendously in a stagnant industry, increasing 8.4% in 2016 alone (latest data available). Consequently, industry participants have benefited from the sale of organic



goods, which are sourced at similar prices as nonorganic foods and then priced at a premium. According to the US Department of Agriculture, premiums on organic fruits and vegetables can range from as low as 7.0% for items like spinach, to more than 100.0% for some organic egg varieties. As a result, over the past five years, fresh-format stores like Whole Foods and Fresh Market have expanded due to strong demand for their premium organic products. These stores offer an extensive array of organic and specialty foods not available at traditional grocers.

Competitive environment

Due to the nondiscretionary nature of industry products, operators experience a steady level of demand for food and nonfood items. However, alternative retail stores, such as convenience stores, dollar stores and mass merchandisers, also offer goods similar to those of traditional grocery stores like Kroger and Albertsons. In recent years, supercenters and warehouse clubs have obtained a greater share of the food retailing market. Mass merchants, such as Costco and Walmart, offer lower prices than industry participants because they sell products in bulk. These stores also offer convenience, as they sell a variety of nonfood items such as clothing and furniture. Due to evolving consumer needs, dollar stores and convenience stores have also expanded more rapidly than supermarkets, according to research conducted by Booz and Company.

As limited-assortment stores and department stores have flourished, large-scale traditional grocers have struggled to compete. Over the past five years, companies like Kroger and Albertsons struggled to generate growth organically and engaged in a flurry of merger and acquisition (M&A) activity. Rather than open up new stores, these large companies acquired regional brands with a loyal local following. This strategy enables large brands to expand their geographic reach without incurring high costs. Likewise, many medium-sized operators have engaged in M&A activity to benefit from economies of scale. As a result, over the past five years, this traditionally fragmented industry has become slightly more concentrated.

Profit and participation

Supermarket and grocery store operators have benefited from rising discretionary income and various consumer trends over the past five years. Yet, several factors, including intensifying competition and volatile commodity prices, have dampened the industry's performance. Despite rising incomes, the heightened competitive landscape has forced many operators to compete based on price. Limited assortment stores that primarily sell private-label merchandise are able to keep prices low without hurting profit margins. Larger operators that sell costlier national-branded items struggle to maintain margins in light of intense price competition. Additionally, these large companies have been plagued with high acquisitions costs, further depressing their profit margins in the short term. Even so, as more profitable store formats popularize, average industry margins have increased from 1.4% in 2014 to an expected 1.6% in 2019.

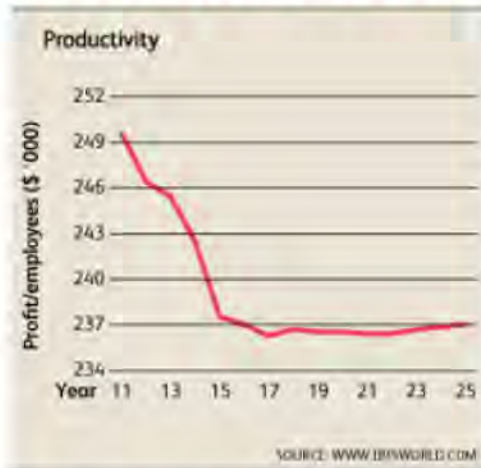
Low profit margins and a highly competitive market have discouraged many new companies from entering the market. This, alongside increased consolidation and the steady rise of online grocery services, has led the total number of industry enterprises to decrease at an annualized rate of 0.2% during the period, totaling 42,470 companies. Wage growth has been mitigated as many operators have implemented self-checkout stations to cut wage costs. Nevertheless, rising minimum wage laws and increased hiring overall has led industry wages to increase at an annualized rate of 1.7% to reach \$66.5 billion in 2019.

Revenue Growth

Year	Revenue \$ million	Growth %
2005	562,571.5	0.0
2006	562,561.3	0.0
2007	571,860.3	1.7
2008	585,113.2	2.3
2009	581,265.1	-0.7
2010	585,118.6	0.7
2011	602,342.3	2.9
2012	608,858.2	1.1
2013	609,323.7	0.1
2014	624,943.0	2.6
2015	633,430.9	1.4
2016	637,702.9	0.7
2017	637,651.7	0.0
2018	647,896.0	1.6
2019	654,626.3	1.0



Industry Outlook



Over the five years to 2024, the Supermarkets and Grocery Stores industry is expected to benefit from the continually strengthening US economy. As per capita disposable income rises, shoppers will be more inclined to purchase premium-level, value-added products at retail stores. In addition to growing demand for premium goods, operators will benefit from slowly growing input costs, as commodity markets steady compared with the cost spikes present during the previous five-year period. However, due to intensifying competition from alternative retailers, such as dollar stores, online grocers and wholesale clubs, industry operators will struggle to compete. Overall, IBISWorld projects industry revenue to grow at an annualized rate of 1.0% to \$687.6 billion over the five years to 2024.

Industry trends

Shifting demographics are anticipated to significantly influence the industry over the next five years. Millennials have emerged as the most populous generation in the United States. As this group's disposable income rises, industry operators will increasingly cater their services to attract these individuals. Millennials are typically characterized as being both health conscious and value driven. Due to these preferences, premium private-label brands have become increasingly popular among this demographic. According to Mintel, 42.0% of millennial grocery shoppers find private label foods more innovative than branded products, and about 70.0% believe that the quality of these store-brand products has increased in recent years. Accordingly, millennials have popularized stores that sell premium private-label foods such as Trader Joe's, Aldi and Lidl, a German grocer that opened its first US location in 2017. These stores are generally smaller in size and enable shoppers to choose between a select number of high-quality products rather than thousands of brand names. As limited assortment stores continue to gain market share, stores with traditional layouts will struggle to compete.

Although national-scale supermarket conglomerates are the most threatened by the popularity of limited-assortment stores and supercenters, many other industry operators are struggling to stay relevant. In an attempt to



compete with Trader Joe's and Aldi, premium grocer Whole Foods announced plans to open a line of stores aimed toward millennials. These stores would be small in size and exclusively offer private-label items. Large national chains are also following this trend. Ahold, a Dutch-based operator with storefronts in New England and the Mid-Atlantic, is introducing a line of limited-assortment stores under the brand name b'fresh. Over the next five years, IBISWorld expects that more supermarkets will follow this trend to appeal to a growing millennial demographic.

While some major operators will open new limited-assortment and fresh-format stores over the next five years, others will choose to simply enhance their current locations and product offerings. Traditional supermarkets are increasingly adding amenities like home grocery delivery, movie rental services, ATMs, dining areas and beer and wine bars. For these companies, enhancing their current stores is much more cost effective than opening up a new one, especially in such a saturated market.

Online competition

Over the five years to 2024, industry operators will experience heightened competition from online operators. During the previous five-year period, many supermarket operators shifted to omnichannel offerings to stay competitive with e-tailers such as Amazon and meal preparation startups such as Blue Apron. This trend is expected to continue over the next five years, as e-commerce sales are expected to rise at an annualized rate of 8.0%, indicating a continued shift toward virtual shopping. Since online grocery sales are not included in the Supermarkets and Grocery Stores industry, the steady adoption of online grocery services will hamper industry revenue growth in the coming years.

In addition to competition from online grocery delivery services, online pickup services are also expected to surge in popularity, further threatening industry sales. External operators such as Walmart have launched same-day pick up services for online grocery orders. Additionally, e-commerce powerhouse Amazon made its entrance into the brick-and-mortar grocery market through its 2017 acquisition of Whole Foods. Further, the company plans to open 2,000 Amazon Fresh stores in the United States by 2026, many of which will operate without traditional check-out lines.

Profit and participation

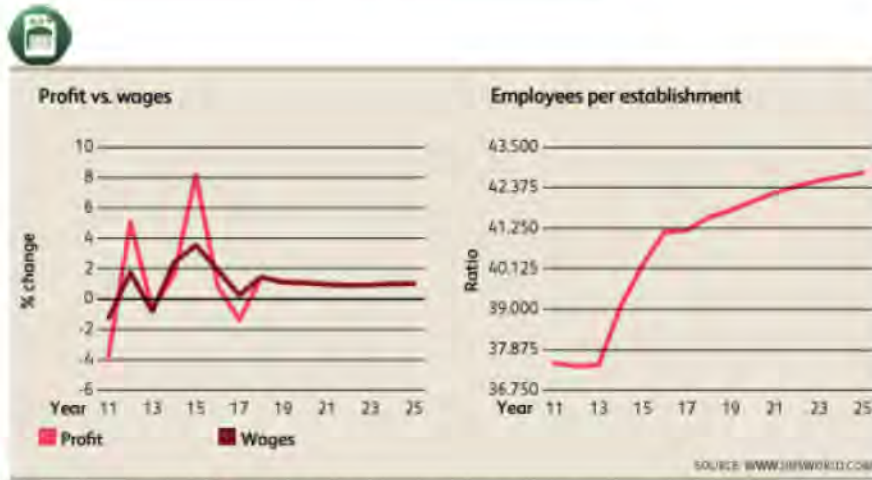
Merger and acquisition activity is expected to continue as large operators seek to benefit from economies of scale and expand their geographic reach. Due to increased competition and high market saturation, enterprise growth is anticipated to be sluggish over the next five years. The number of industry enterprises is forecast to rise at an annualized rate of only 0.5% to 43,514 companies over the five years to 2024.

Similarly, industry employment is expected to rise at an annualized rate of 1.0% to 2.9 million workers during the period. IBISWorld expects profit to remain stable at 1.6% of revenue during the next five years. A rising agricultural price index, along with the increasing popularity of store-brand items, will positively affect profit, as these items earn higher margins. Even so, average profit will be stifled by costs associated with continued merger and acquisition activity.



Revenue Outlook

Year	Revenue \$ million	Growth %
2020	661,500.6	1.1
2021	667,671.0	0.9
2022	673,787.6	0.9
2023	680,560.7	1.0
2024	687,610.6	1.0
2025	694,824.0	1.0



Industry Life Cycle

This industry is **mature**

The Supermarkets and Grocery Stores industry is in the mature stage of its life cycle. Over the 10 years to 2024, the industry's contribution to the overall economy is expected to increase at a slow annualized rate of 1.5%. Comparatively, US GDP is forecast to rise at an annualized rate of 2.1%. Typically, an industry is considered to be declining when industry growth falls below GDP. However, supermarket and grocery stores have historically suffered from low profit margins, which lowers this industry's contribution to the economy. Additionally, intense competition in the food retailing sector has also contributed to the industry's slow growth.

Characteristic of a mature industry, supermarkets and grocery store chains have engaged in a substantial number of mergers and acquisitions over the past five years. Consequently, during the 10-year period, the number of enterprises is expected to remain the same. Due to low profit margins and the competitive nature of the industry, new operators are discouraged from entering the industry. Furthermore, increased competition from supercenters

and wholesale clubs has made it more difficult for many larger grocery chains to compete in the industry. Since these large operators struggle to grow organically, they have relied on acquiring mid-sized regional competitors to boost their market share.

The products supplied by this industry have largely reached saturation levels. The only real growth comes from the introduction of new niche market goods or advances in product formulas. The market for grocery products has undergone little change in recent years. However, participants have benefited from growing demand for all-natural and organic products. Furthermore, supermarkets have implemented technological changes in the form of self-checkout aisles and automated warehouse equipment, which have boosted operating efficiencies.

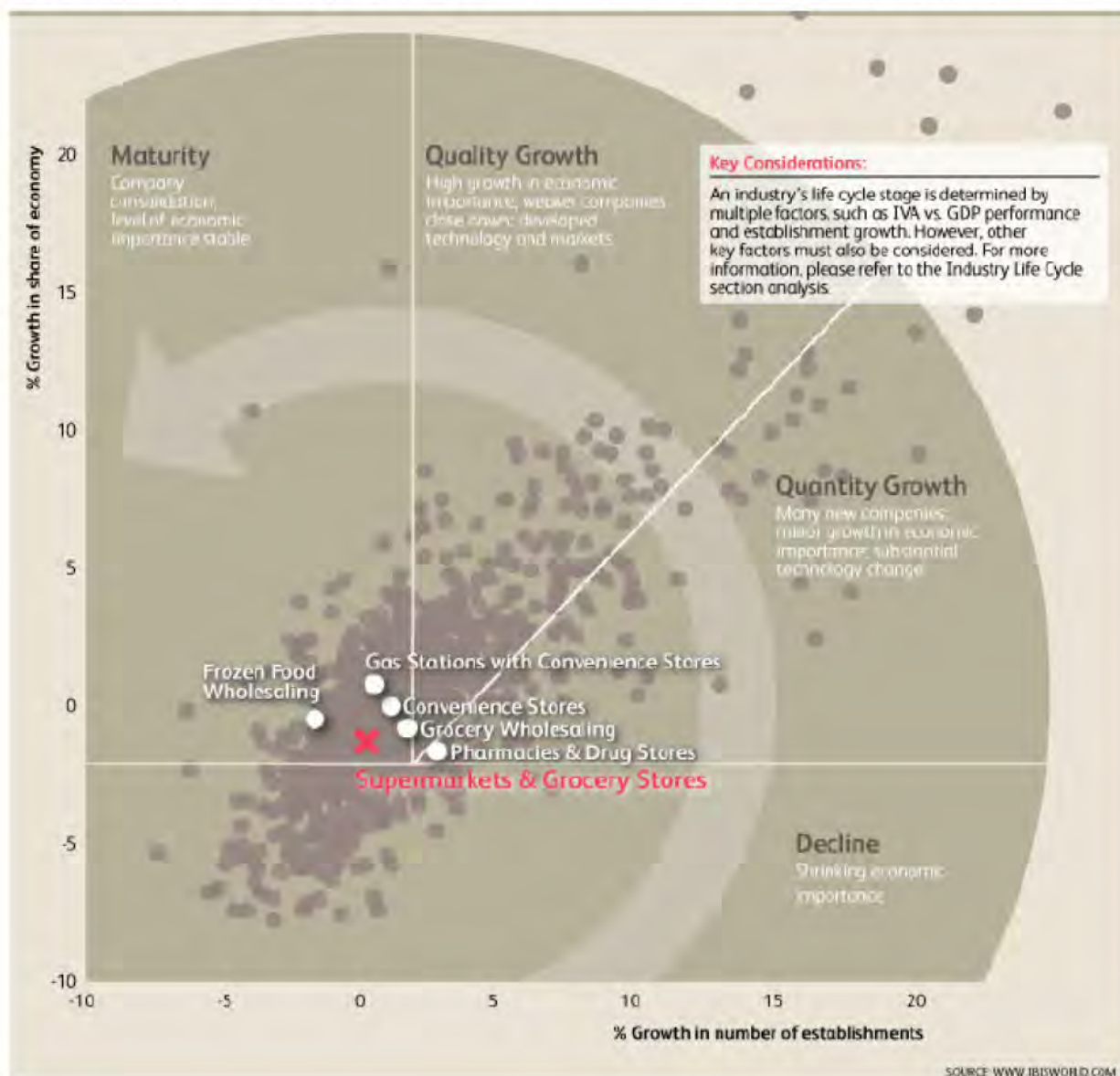
Life Cycle Reasons

Industry value added is expected to underperform GDP growth in the 10 years to 2024

Industry establishment growth has stagnated

Operators have focused on boosting operational efficiency through technology

Industry operators retail fairly homogeneous products





Competitive Landscape

Market Share Concentration

Concentration in this industry is **low**

The Supermarkets and Grocery Stores industry is highly fragmented, with over one-third of enterprises employing less than five workers. Moreover, the top three operators are expected to account for 31.9% of industry revenue in 2019. The remaining share of the market is mainly composed of small and medium-sized operators that cater to local and regional markets. IBISWorld estimates that 41,467 operators will actively compete for the remaining 68.1% of market share in 2019. Even though a large portion of businesses operate a single establishment, medium-sized stores are beginning to comprise a larger portion of the market.

Market share concentration has fluctuated over the past five years due to a flurry of mergers and acquisitions. Large companies like Albertsons and Kroger have acquired numerous brands, boosting their share of industry revenue. Additionally, medium-sized players like H-E-B and Meijer have dominated local markets by saturating their respective geographic regions. These stores are often family-owned and have grown over the past five years due to their strong position in local communities. While market share for these companies generally falls below 5.0%, these stores eroded the market share of large companies during the five-year span.

National level premium chains like Whole Foods and Trader Joe's have also expanded their share of industry revenue over the past five years. Like many regional family-owned stores, these national chains provide superior customer service and extensive premium products. These retailers also offer a wide variety of niche goods such as gluten free and vegan products, many of which are not offered by traditional grocers. As disposable income increases and consumers become more health conscious, these brands are expected to increase their share of the industry over the next five years.

Key Success Factors

IBISWorld identifies 250 Key Success Factors for a business. The most important for this industry are:

Proximity to key markets: A supermarket's proximity to densely populated areas enables operators to maximize foot traffic and sales. Clear signage, easy access and ample parking space also attract shoppers.

Access to multiskilled and flexible workforce: Similar to other retail industries, supermarkets have a highly flexible workforce, which enables stores to rotate staff as required, particularly during extended operating hours.

Ability to control stock on hand: Managing inventory ensures that products are always available for purchase, particularly if they are advertised as the weekly special and in high demand.

Close monitoring of competition: Grocery stores compete on price due to the low level of product differentiation.



Consequently, retailers must monitor when competitors offer discounts and promotions.

Access to the latest available and most efficient technology and techniques: Operators that take advantage of the latest technology in security and point of sale processing benefit from increased productivity and higher profit margins.

[Back to top.](#)

Cost Structure Benchmarks

The cost structure for this industry is based on an estimate of the average industry participant. Consequently, profit margins and other costs vary from retailer to retailer and depend on several factors such as ease of access to suppliers and scale of operations.

Profit

In 2019, industry profitability, measured as earnings before interest and taxes, is anticipated to account for 1.6% of revenue, representing a slight increase from 1.4% in 2014. The Supermarkets and Grocery Store industry has historically been characterized by low margins, due to the fragmented nature of the industry. Supermarket operators compete largely on price, as the products sold by retailers are homogeneous. Consequently, companies offer discounts and promotions frequently to drive foot traffic to their stores and boost customer loyalty and retention rates. Over the five years to 2019, the industry has contended with intensifying competition from warehouse clubs and supercenters that offer even lower prices than supermarkets. While this trend holds true for the industry as a whole, specialty retailers, such as all-natural and organic grocers, have experienced high and even increasing margins during this period. Over the five years to 2024, IBISWorld anticipates industry profitability to increase, as the growing popularity of private label products with millennials boosts profit.

Wages

Wages constitute the second-largest cost segment for this industry, accounting for 10.2% of industry revenue in 2019. This figure represents a slight increase from 9.8% in 2014. This increase is largely due to an increase in the average wage, particularly due to rising minimum wage laws. Moreover, due to technological advancements, such as self-service checkouts, many low wage industry jobs have been eliminated. Consequently, there is a larger share of higher skill workers who are require more sizable compensation. Over the next five years, wages as a share of revenue is expected to remain steady.

Purchases

Purchases account for an overwhelming majority of revenue, estimated to constitute 70.4% of industry revenue in 2019. This figure represents a slight decrease from 2014. As commodity markets fluctuated during the five-year period, the cost of many key agricultural products, from fruits to meat products, remained volatile, ultimately decreasing in the latter-half of the five-year period. Consequently, lower input costs have been passed down the supply chain to food manufacturers and retailers, reducing purchases' share of revenue during this period.

Depreciation

Depreciation is expected to account for 1.0% of total industry revenue in 2019. Depreciation costs have remained steady over the past five years in the industry.

Marketing

Marketing costs are expected to account for advertising and promotions. While supermarkets offer promotions regularly to drive foot traffic to their stores, marketing is expected to only account for 0.7% of revenue in 2019.

Rent

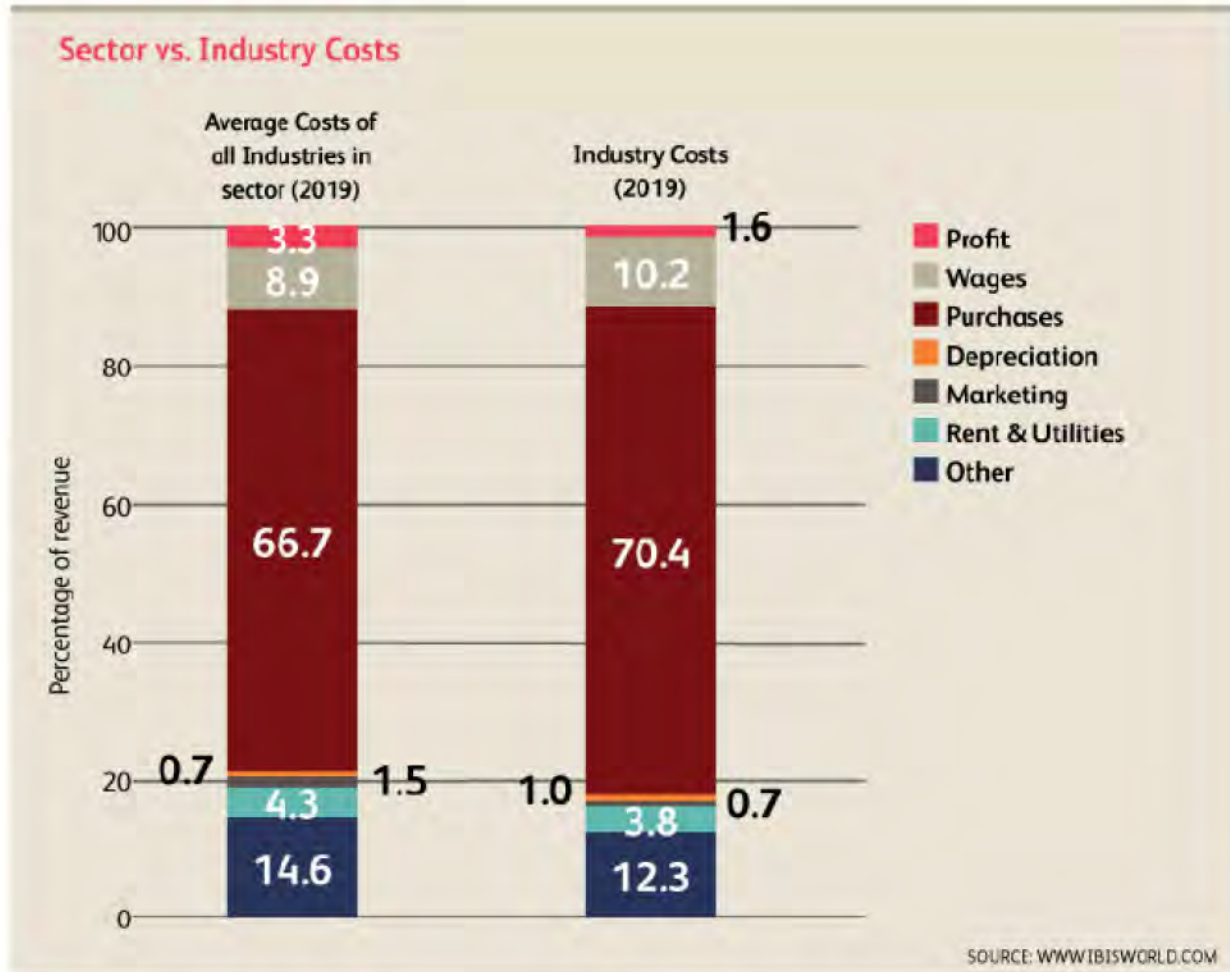
Rent is expected to account for 2.6% of total industry revenue. Rent costs have remained steady in the industry over the past five years.

Utilities

Utilities costs have remained steady in the industry over the past five years and is expected to account for 1.2% of total industry revenue in 2019.

Other Costs

Other costs associated with operating a supermarket include various administrative expenses. Overall these costs are expected to account for 12.3% of total industry revenue in 2019.



Basis of Competition



Competition in this industry is **high** and the trend is **increasing**

Internal competition

Supermarket and grocery store operators fiercely compete for the consumer's dollar in an increasingly competitive food retailing sector. Due to the homogeneous nature of the goods sold at supermarkets, industry participants compete



on price by offering discounts and promotions in addition to customer loyalty awards. Supermarkets rely on a large volume of sales with low markups and offer generic- or store-branded food items that are less expensive than branded products to drive sales. Most stores offer weekly savings on popular products to entice new consumers.

Other than lower prices, grocery stores must attract customers with the range and quality of products they offer. Industry players who offer an extended range of goods cater to a larger consumer base from both low- and high-income households. However, if grocery stores price their high-quality products too high, they risk losing sales, even from high-income households. In the years following the recession, private label products have maintained their popularity among consumers. In particular, higher-end generic goods, such as Whole Foods' 365 organic line of products, have experienced increasing sales as consumers seek affordability and value. Consequently, retailers that offer a range of private label products have benefited from improved sales and margins.

Supermarkets offer a variety of products and services, aside from traditional grocery and nonedible products. For instance, through its partnership with Starbucks, recently acquired Safeway operates in-store Starbucks-branded coffee shops at many of its locations. Other additions that can make the shopping experience more convenient for consumers include ATM machines, movie rental kiosks and other amenities.

External competition

The Supermarkets and Grocery Stores industry contends with intense external competition, particularly from mass merchandisers such as Walmart and Costco. While Walmart and Costco do not necessarily specialize in grocery retailing, they generate a substantial portion of revenue from the sale of grocery products. External competition from warehouse clubs and supercenters has intensified in recent years, as many consumers prefer one-stop-shops where they can purchase a variety of goods, such as apparel and furniture, in addition to traditional groceries. Mass merchandisers also provide lower prices than most supermarkets, as they benefit from economies of scale. Supermarkets also experience competition from convenience stores, discount retailers and foodservice providers.

Barriers to Entry

Barriers to entry in this industry are **medium** and are **increasing**

Barriers to entry in the Supermarkets and Grocery Stores industry are moderate. However, the level of initial capital investment is high. In the past, the major operational cost for industry participants was wages. In addition, the introduction and installation of point of sale (POS) systems over the past decade has raised the level of capital expenditure for supermarkets. POS systems are not the only consideration for a prospect; new entrants must consider a whole range of expenses, including leasing a building. Start-up costs can be financed through a combination of owner investment, short-term loans and long-term borrowing. If new entrants are unable to secure financing for these initial investments, they will not be able to enter the industry.

The pre-existence of distribution networks between operators and suppliers can be a barrier to entry, as existing operators have established relationships of trust and loyalty with their suppliers over a period of time, granting them preferential treatment and pricing. Also,

Barriers to Entry checklist

Competition	High
Concentration	Low
Life Cycle Stage	Mature
Capital Intensity	Low
Technology Change	Medium
Regulation and Policy	Medium
Industry Assistance	Low

SOURCE: WWW.BISWORLD.COM

? Chart info



the leading retailers have locked in supply bases for certain fresh food categories, which are inaccessible to new entrants. Consequently, new food retailers, especially those wanting to establish relationships with produce suppliers and farmers, may contend with a limited pool of choices. There has also been a noticeable trend of consolidations in the past decade among US produce suppliers and growers, making it even more difficult to select an appropriate vendor.

Conversely, no direct licenses are required to operate supermarkets or grocery stores, which significantly lowers barriers to entry. Additionally, the industry is highly fragmented, with the top three chains only accounting for 31.9% of industry revenue in 2019. Thus, prospects can successfully enter the industry by specializing in a specific product category like all-natural, organic and gluten-free.

Industry Globalisation

Globalisation in this industry is **low** and the trend is **steady**

The Supermarkets and Grocery Stores industry exhibits a low level of globalization. Due to the nature of retail stores, supermarkets do not engage in international trade. Also, most industry establishments are based in the United States and earn revenue from domestic operations. However, companies have increasingly expanded their operations abroad to enter growth markets. Foreign companies also operate supermarkets in the United States. For example, Delhaize America is a subsidiary of Belgian Delhaize Group.



Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As If Vacant

The primary determinants of the highest and best use of the property as if vacant are the issues of (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned I-1, Light Industrial which controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development.

Financially Feasible

The probable use of the site for commercial development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible. This is also evidenced by the development of new retail properties in the past few years within the immediate vicinity of the subject property, while generally on a build-to-suit basis.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for commercial/retail use.

Conclusion of Highest and Best Use As If Vacant

The conclusion of the highest and best use as if vacant is for commercial/retail use.

Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land.



Retaining the improvements as they exist meets the tests for physical possibility, legal permissibility and financial feasibility.

The subject improvements were built in 2015 and, as of the date of value, were in good condition. Based on our assessment, we have estimated the effective age to be 4 years. As noted, the analyzed use is a grocery store building. We believe the property to be a legal use per the zoning regulations. The improvements are consistent with surrounding uses and we have rated its functional utility as good, since it was a build-to-suit for its current use.

Any alternative use of the existing improvements is unlikely to be economically feasible. The market value of the property as improved exceeds the combination of vacant site value less cost of demolition of the improvements. Therefore demolition and redevelopment of the site is not maximally productive.

As was noted in this analysis, the subject property is currently vacant. As noted in the History section of this report, the subject was completed in April 2015. According to the developer, the building and FF&E reportedly cost approximately \$8.3 million. The property was originally operated under the Sentry Foods and Ace Hardware banners. In March of 2018, the grocer ceased operations as Sentry Foods and rebranded as Columbus Hometown Market. In November 2018 the property was leased to Maurer's Foods. Maurer's Foods operated the subject as Maurer's Market beginning in December 2018. In March 2019, Maurer's announced that the property would be closing its doors and began the liquidation process, exercising a six-month cancelation clause within their lease.

Based upon data provided by the client, the store closed in May 2019 and cited poor sales at the subject's location for the closure of the property. Further investigation revealed that the poor sales was due to four years of ongoing road construction within the vicinity of the subject property. The road construction negatively impacted the business at the subject property and the surrounding commercial properties, including the Shopko and neighboring strip center. To further compound the poor sales of the former grocery store, it was reported that the former tenant, Sentry Foods, was not a good fit for this location given the higher priced items sold by the grocer.

Additionally, not known by the owner prior to the occupancy of Shopko, the retailer carried approximately 25% food inventory at the store, which negatively impacted the sales of the adjacent subject grocery store. All of these factors resulted in the poor sales of the former tenant and the eventual closing of store at this location. It was reported by the interviewed grocery store specialist, that according to market research, road closures can account for as much as 50% reduction in store revenues. Combining the remaining negative factors that effected the subject property, store sales could be reduced by as much as 60% to 75%, which definitely lead to the demise of the prior tenant.

Lastly, the initial base contract rent of approximately \$19.00 per square foot on NNN basis, with annual rent increases was above market for this location. Based on historical data, more reasonable market rental rates were between \$12.00 to \$18.00 per square foot, NNN. The rates at the higher end of that range was being paid by tenants such as Pick n' Save and Copps, who were considered stronger tenants in superior markets. The base rent far exceeded the typical market occupancy costs for similar grocery stores. Based on market data, grocery store tenants do not want to pay more than 4% to 6% of their gross revenues in rent. Actual historical store sales was not provided, however, they were reported to be around \$75,000 to \$80,000 per week, which would only support a max net base rent of approximately \$6.00 per square foot, plus amortized FF&E costs that would be added to the base rent,



which based upon the cost new of the FF&E at that time would have been approximately \$4.00 per square foot more, indicating a market rent of approximately \$10.00 per square foot, NNN. It is our understanding, the pro-forma sales for this location were projected to be a lot higher, which based upon several market analysis reports, the weekly sales were projected to be anywhere from \$150,000 to \$250,000 based upon several scenarios which relied upon a local Pick 'n Save closing or remaining open.

Utilizing a revised projected sales of \$125,000 to \$150,000 per week, upon stabilization, and a total cost of occupancy at 6%, the net rent would be approximately \$10.00 to \$12.00 per square foot with \$2.50 in amortized FF&E value given the depreciated value of the existing personal property, indicating a net rent of approximately \$12.50 to \$14.50 per square foot, NNN including FF&E.

According to a grocery store expert, Keith Wicks of Keith Wicks and Associates, there are several alternative options for this grocery store, all concluding with a continued use as a grocery store. The first option is to leave the building layout and size as is and lease it to another grocer, such as Piggly Wiggly or similar type grocer. The ideal store size would be approximately 30,000-square feet with the remaining 6,300-square feet leased to a smaller hardware store, fast food restaurant, coffee shop or pharmacy type tenants, to just name a few. The prior layout of the store was not ideally set up, as the grocery store occupied approximately 25,000-square feet and the former Ace Hardware occupied too large of a space, at 11,300-square feet. The store combination was very rare in the market and reportedly not tested in the local market, ultimately leading to the failure of the location.

It is believed that this modified layout will work better in this location. Furthermore, a potential tenant could be successful in this location with one to two years of free rent (to allow the tenant to grow and establish market share and achieve its sales potential), an appropriate market rent and a turnkey occupancy that includes all existing FF&E amortized into the rent over a 10 to 20-year term. It was reported that this location could achieve weekly sales of approximately \$125,000 to \$150,000, which is average for this type of location and product type. Additionally, the lease-up of the adjacent vacant Shopko would be very beneficial to the success of the subject property. An ideal tenant for this location could be a Tractor Supply, a fitness center or similar type user, that would require minimal retrofitting of the existing space. According to the grocery store specialist, several grocers have already been contacted for this location. There is some interest by other established grocers, however, the terms indicated above would have to be provided and/or met for any serious talks to occur. If the property is aggressively marketed with the above terms in mind, the space could be leased in approximately 3 to 6 months, however, since the vacant Shopko would most likely need to at least have an LOI in place to generate greater interest in this location, a lease up period towards the upper end of that range is appropriate.

The second option would be to retrofit both stores, the grocery store and the vacant Shopko into one larger format in an effort to attract a larger grocery store tenant, such as a Pick 'n Save or Kroeger. The current footprint of both stores is approximately 70,000-square feet. Currently, the smallest footprint for this type of grocer is around 78,000- to 80,000-square feet. Therefore, a 10,000-square foot addition could be built onto the current structure to accommodate this need for additional space. This option would provide the opportunity to secure a higher lease rate, however, this would take a lot more coordination and costs than Option 1. More specifically, this would require approval and coordination with the neighboring property owner.



VACANT GROCERY STORE
HIGHEST AND BEST USE

However, as the scope of this analysis is to estimate the fee simple market value of Lot 2 only, the vacant grocery store. Based on the local characteristics and demographics, we are of the opinion that a small grocer with an adjacent complimentary demand driver for the vacant Shopko would be most appropriate for this market.

Conclusion of Highest and Best Use As Improved

Therefore, the highest and best use of the subject property, as improved, is continued grocery store use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is a local investor/owner-user.



Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

The process of developing the sales comparison approach consists of the following analyses: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject site.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per usable square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

We included five sales in our analysis, as these sales were judged to be the most comparable to develop an indication of market value for the subject property.

The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.



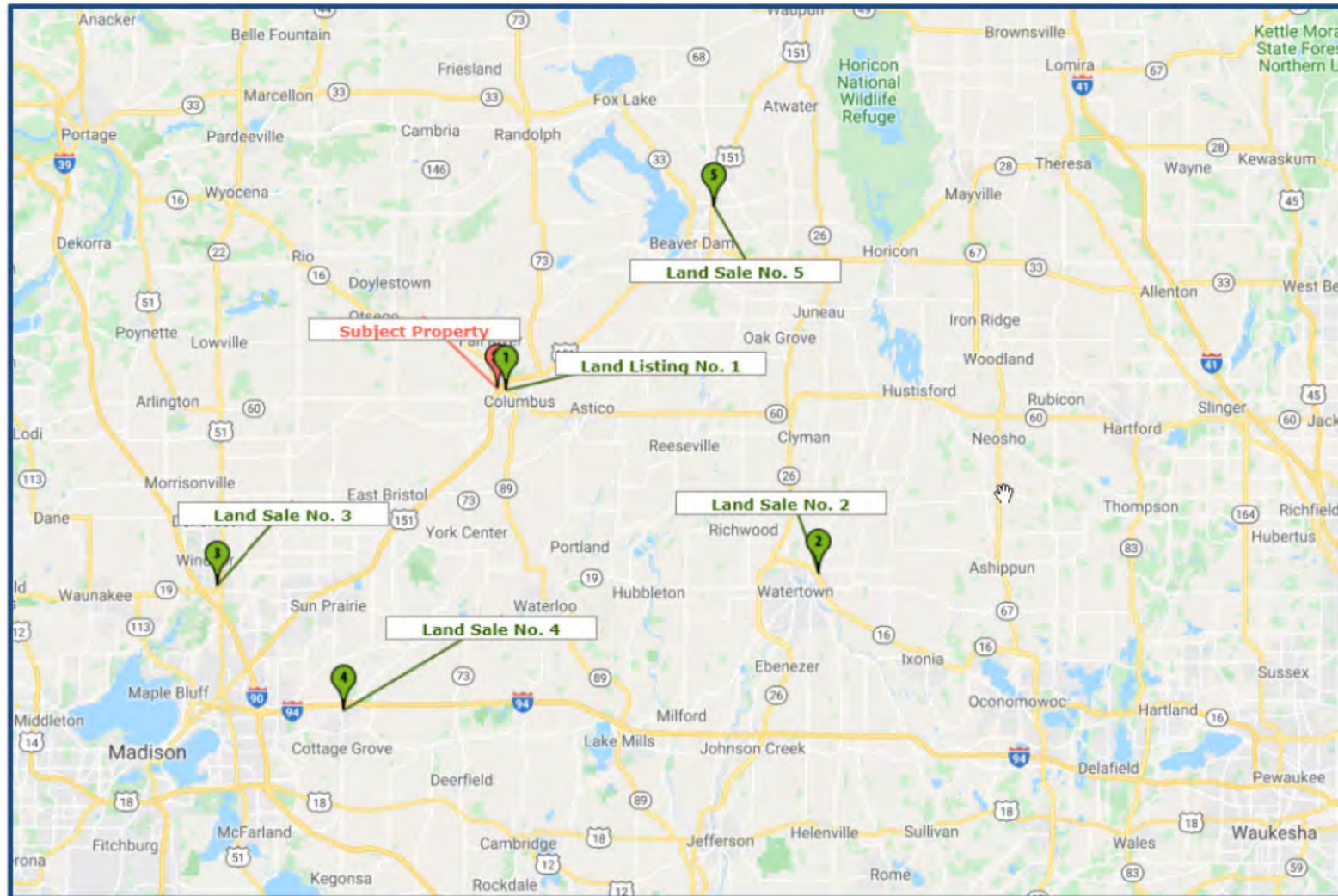
VACANT GROCERY STORE
LAND VALUATION

Land Sales Summary

Comp. No.	Date of Sale	Location	Zoning	Proposed Use	Sales Price Actual	Per Sq. Ft.
1	Listing	219 Industrial Dr	Columbus, Wisconsin	I-1 Commercial	\$625,000	\$5.74
2	May-19	1225 North 4th Street	Watertown, Wisconsin	GB Residential	\$155,000	\$0.88
3	July-16	6385 North Towne Rd.	De Forest, Wisconsin	B-2 Sports Complex	\$325,000	\$1.83
4	May-16	1599 Landmark Drive	Cottage Grove, Wisconsin	PI Fast Food	\$380,000	\$4.00
5	September-15	240 Corporate Drive	Beaver Dam, Wisconsin	MO Medical office	\$113,490	\$0.69



COMPARABLE SALES MAP





VACANT GROCERY STORE
LAND VALUATION

LAND COMPARABLE 1



Property Identification

Property/Sale ID	10999126/1435358
Property Type	Commercial
Property Name	Commercial/Retail Land for Sale
Address	219 Industrial Dr
City, State Zip	Columbus, Wisconsin 53925
County	Columbia
MSA	Madison
Latitude/Longitude	43.347403/-89.029223
Tax ID	11211-1110.23

Transaction Data

Sale Date	11-05-2019	Days on Market	936
Sale Status	Listing	Sale Price	\$625,000
Grantor	JJB Real Estate Development LLC	Sale Conditions Adj.	\$0
Grantee	N/A	Exp. Imm. After Sale	\$0
Property Rights	Fee Simple	Non-Realty Adj.	\$0
Conditions of Sale	Listing	Adjusted Price	\$625,000

Property Description

Gross Acres	6.27400	Rail Access	No
Gross SF	273,295	Water/Port Access	No
Usable Acres	2.50000	Visibility	Good
Usable SF	108,900	Corner/Interior	Interior
Front Feet	232.00	Shape	Generally Rectangular
Depth	660.00	Topography	Level
No. of Lots	1	Utilities	All Available
Proposed Use	Commercial	Drainage	Assumed to be adequate
Street Access	Average	Flood Hazard Zone	Zone X



VACANT GROCERY STORE
LAND VALUATION

Zoning Jurisdiction	City of Columbus	Zoning Description	Limited Industrial
Zoning Code	I-1		

Indicators

\$/Gross Acre	\$99,617	\$/Usable SF	\$5.74
\$/Gross SF	\$2.29	\$/FF	\$2,693.97
\$/Usable Acre	\$250,000	\$/Lot	\$625,000

Verification

Confirmed With	CoStar, Public Records, Flyer, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-05-2019

Remarks

This is the active listing of a 2.5-acre buildable lot located at 219 Industrial Drive in Columbus WI. The property is located at the intersection of W. James Street and US Highway 151. Traffic counts along these two thoroughfares are 13,845 AADT (US 151) and 11,916 AADT (James St.). The property features an industrial zoning district; however, a variety of commercial uses are permitted. The gross lot area is 6.27 acres, however, only 2.5-acres is buildable. Surrounding uses include Walgreens, Jimmy Johns, Super 8, McDonalds and Pick 'n Save. The property has been on the market for over 30 months with an asking price of \$625,000 or \$2.29 per square foot of buildable site area.



VACANT GROCERY STORE
LAND VALUATION

LAND COMPARABLE 2



Property Identification

Property/Sale ID	10999076/1435333
Property Type	Commercial
Property Name	Watertown Proposed MF Land
Address	1225 North 4th Street
City, State Zip	Watertown, Wisconsin 53094
County	Jefferson
MSA	Milwaukee-Racine-Waukesha MSA
Latitude/Longitude	43.208368/-88.704388
Tax ID	291-0915-3424-029

Transaction Data

Sale Date	05-24-2019	Recording Number	1275804
Sale Status	Closed	Sale Price	\$155,000
Grantor	Jine Living Trust, Laverne J and Roberta A	Financing Adj.	\$0
Grantee	Robert C Stangler	Sale Conditions Adj.	\$0
Property Rights	Fee Simple	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Typical	Adjusted Price	\$155,000

Property Description

Gross Acres	4.02200	Street Access	Average
Gross SF	175,198	Rail Access	No
Usable Acres	4.02200	Water/Port Access	No
Usable SF	175,198	Visibility	Average
Front Feet	860.00	Corner/Interior	Corner
Depth	365.00	Shape	Irregular
No. of Lots	1	Topography	Level
Proposed Use	Residential	Utilities	All Available



VACANT GROCERY STORE
LAND VALUATION

Drainage	Assumed to be adequate	Zoning Code	GB
Flood Hazard Zone	Zone X	Zoning Description	General Business District
Zoning Jurisdiction	Village of Watertown		

Indicators

\$/Gross Acre	\$38,538	\$/Usable SF	\$.88
\$/Gross SF	\$.88	\$/FF	\$180.23
\$/Usable Acre	\$38,538	\$/Lot	\$155,000

Verification

Confirmed With	CoStar, Deed, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-05-2019

Remarks

This is the sale of a 4.022-acre tract of commercial land located at 1225 N. 4th Street, Watertown, WI. The lot is located on a corner lot in a B-2 zoning district on the outskirts of the town. In May of 2019, the lot sold for \$155,000 or \$0.89 per square foot. According to City Council documents, the property applied for a re-zoning after purchase from a B-2 to a TR-6 and the proposed use of the site was for the development of a townhouse community.



VACANT GROCERY STORE
LAND VALUATION

LAND COMPARABLE 3



Property Identification

Property/Sale ID	1152077/378262
Property Type	Commercial
Property Name	GRB Academy Site
Address	6385 North Towne Rd.
City, State Zip	De Forest, Wisconsin 53598
County	Dane
MSA	Madison
Latitude/Longitude	43.199420/-89.329866
Tax ID	0910-324-2271-1

Transaction Data

Sale Date	07-06-2016	Recording Number	5249024
Sale Status	Closed	Sale Price	\$325,000
Grantor	Northtowne, LLC	Financing Adj.	\$0
Grantee	Longball Enterprises, LLC	Sale Conditions Adj.	\$0
Property Rights	Fee Simple	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Typical	Adjusted Price	\$325,000

Property Description

Gross Acres	4.07000	Street Access	Average
Gross SF	177,289	Rail Access	No
Usable Acres	4.07000	Water/Port Access	No
Usable SF	177,289	Visibility	Average
Front Feet	545.00	Corner/Interior	Interior
Depth	325.00	Shape	Rectangular
No. of Lots	1	Topography	Level
Proposed Use	Sports Complex	Utilities	All Available
Proposed Bldg SF	52,000	Drainage	Assumed to be adequate



VACANT GROCERY STORE
LAND VALUATION

Flood Hazard Zone	Zone X	Zoning Code	B-2
Zoning Jurisdiction	Village of De Forest	Zoning Description	General Business

Indicators

\$/Gross Acre	\$79,853	\$/FF	\$596.33
\$/Gross SF	\$1.83	\$/Lot	\$325,000
\$/Usable Acre	\$79,853	\$/SF of Bldg Area	\$6.25
\$/Usable SF	\$1.83		

Verification

Confirmed With	CoStar, Deed, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	03-23-2017

Remarks

This is the sale of a 4.07-acre parcel of land located at 6385 N. Towne Road in De Forest, WI. This parcel is located in an industrial area and the land was purchased for an indoor baseball facility. The proposed facility is 52,000 square feet and cost \$3.2 million. In July of 2016, the land sold for \$325,000 or \$1.83 per square foot.



VACANT GROCERY STORE
LAND VALUATION

LAND COMPARABLE 4



Property Identification

Property/Sale ID	1152830/378813
Property Type	Retail
Property Name	Culver's Site
Address	1599 Landmark Drive
City, State Zip	Cottage Grove, Wisconsin 53527
County	Dane
MSA	Madison
Latitude/Longitude	43.104575/-89.198555
Tax ID	071104120251

Transaction Data

Sale Date	05-03-2016	Recording Number	5232964
Sale Status	Closed	Sale Price	\$380,000
Grantor	Village of Cottage Grove	Financing Adj.	\$0
Grantee	Bojo Properties	Sale Conditions Adj.	\$0
Property Rights	Fee Simple	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Typical	Adjusted Price	\$380,000

Property Description

Gross Acres	2.18000	Rail Access	No
Gross SF	94,961	Water/Port Access	No
Usable Acres	2.18000	Visibility	Average
Usable SF	94,961	Corner/Interior	Double Corner
Front Feet	430.00	Shape	Generally Rectangular
Depth	450.00	Topography	Level
No. of Lots	1	Utilities	All Available
Proposed Use	Fast Food	Drainage	Assumed to be adequate
Street Access	Good	Flood Hazard Zone	Zone X



VACANT GROCERY STORE
LAND VALUATION

Zoning Jurisdiction	Cottage Grove	Zoning Description	Planned Industrial
Zoning Code	PI		

Indicators

\$/Gross Acre	\$174,312	\$/Usable SF	\$4.00
\$/Gross SF	\$4.00	\$/FF	\$883.72
\$/Usable Acre	\$174,312	\$/Lot	\$380,000

Verification

Confirmed With	Listing Broker Thomas Phillips of Ruedebusch Commercial, CoStar, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-8-2019

Remarks

This site is on the southeast corner of CTH N and Commerce Parkway in Cottage Grove. The I-94 and CTH N interchange is just north of this site. The site was purchased for the construction of a Culver's restaurant which is approximately 5,000 SF. The Village of Cottage Grove was the seller and the motivation was typical and the sale is considered to be arm's length. There is signage on the site that indicates the entrance to the adjacent business park to the east. Traffic counts on CTH N were estimated to be 9,600 VPD in 2015.



VACANT GROCERY STORE
LAND VALUATION

LAND COMPARABLE 5



Property Identification

Property/Sale ID	1152605/378635
Property Type	Commercial
Property Name	Beaver Dam Regional Eye
Address	240 Corporate Drive
City, State Zip	Beaver Dam, Wisconsin 53916
County	Dodge
MSA	N/A
Latitude/Longitude	43.484381/-88.813409
Tax ID	206-1214-2713-006

Transaction Data

Sale Date	09-30-2015	Recording Number	1229053
Sale Status	Closed	Sale Price	\$113,490
Grantor	ACS BD Development, LLC	Financing Adj.	\$0
Grantee	City of Beaver Dam	Sale Conditions Adj.	\$0
Property Rights	Fee Simple	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Typical	Adjusted Price	\$113,490

Property Description

Gross Acres	3.78300	Rail Access	No
Gross SF	164,787	Water/Port Access	No
Usable Acres	3.78299	Visibility	Average
Usable SF	164,787	Corner/Interior	Interior
Front Feet	53.00	Shape	Irregular
Depth	378.00	Topography	Level
No. of Lots	1	Utilities	All Available
Proposed Use	Medical office	Drainage	Assumed to be adequate
Street Access	Average	Flood Hazard Zone	Zone X



VACANT GROCERY STORE
LAND VALUATION

Zoning Jurisdiction	City of Beaver Dam	Zoning Description	Medical, Professional & Administrative
Zoning Code	MO		

Indicators

\$/Gross Acre	\$30,000	\$/Usable SF	\$.69
\$/Gross SF	\$.69	\$/FF	\$2,141.32
\$/Usable Acre	\$30,000	\$/Lot	\$113,490

Verification

Confirmed With	City of Beaver Dam, CoStar, Assessor and Public Records
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-8-2019

Remarks

The is the sale of an irregularly-shape commercial parcel of land located along the west side of Corporate Drive just east of Highway 151. The City of Beaver Dam received the parcel back from ACS BD Development, LLC and sold it to Beaver Dam Regional Eye Venture, LLC, who constructed an eye care facility. The site is approximately 3.783 acres, but with only about 50 feet of frontage along an access easement. This sale is considered a valid, arm's length transaction.



Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include (1) real property rights conveyed, (2) financing terms, (3) conditions of sale and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. The appraised value and sale comparables all reflect the fee simple interest with no adjustments required.

- Sale 1: no adjustment was warranted.
- Sale 2: no adjustment was warranted.
- Sale 3: no adjustment was warranted.
- Sale 4: no adjustment was warranted.
- Sale 5: no adjustment was warranted.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

- Sale 1: no adjustment was warranted.
- Sale 2: no adjustment was warranted.
- Sale 3: no adjustment was warranted.
- Sale 4: no adjustment was warranted.
- Sale 5: no adjustment was warranted.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value.

- Sale 1: a downward adjustment of 25.0% was warranted.
- Sale 2: no adjustment was warranted.



Sale 3: no adjustment was warranted.
Sale 4: no adjustment was warranted.
Sale 5: no adjustment was warranted.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. The parties to these transactions did not anticipate expenditures were required immediately after purchase; therefore, no adjustments were warranted.

Sale 1: no adjustment was warranted.
Sale 2: no adjustment was warranted.
Sale 3: no adjustment was warranted.
Sale 4: no adjustment was warranted.
Sale 5: no adjustment was warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Discussions with market participants and a review of market data indicated overall market conditions for vacant land properties have been improving with recent transactions confirming this trend. As such, we applied an adjustment to each comparable based on a factor of 2.00% per year.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments.

Our reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable property are different from those of the subject property. These include, but are not limited to, general neighborhood characteristics, freeway accessibility, street exposure, corner versus interior lot location, neighboring properties, view amenities, and other factors.

The subject property is located along Commercial Drive with average access and good visibility.



Sale 1: a downward adjustment of 10.0% was warranted.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: no adjustment was warranted.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject property consists of 3.55960 gross acres (155,056 gross square feet), and 3.55960 acres (155,056 square feet) of useable land area. The sales range in size from 94,961 to 177,289 square feet and required size adjustments. We applied an adjustment factor of approximately 10% per doubling to each sale, resulting in total adjustments ranging from -8.0% to 1.0%.

Sale 1: a downward adjustment of 6.0% was warranted.

Sale 2: an upward adjustment of 1.0% was warranted.

Sale 3: an upward adjustment of 1.0% was warranted.

Sale 4: a downward adjustment of 8.0% was warranted.

Sale 5: an upward adjustment of 1.0% was warranted.

Shape/Depth

The subject site consists of a slightly irregular-shaped tract which differed enough from the land sales to warrant the following adjustments:

Sale 1: no adjustment was warranted.

Sale 2: an upward adjustment of 5.0% was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: an upward adjustment of 5.0% was warranted.

Corner Exposure

Tracts with major street influence tend to bring higher prices than otherwise comparable secondary street locations. Additionally, tracts featuring corner influence typically command higher prices in the market place, as opposed to interior locations. For retail users, the hard corner of an intersection may be marketed to a fairly large pool of small users (e.g. service stations, fast food restaurants, etc.) for sale.

The subject site has an interior location.

Sale 1: no adjustment was warranted.

Sale 2: a downward adjustment of 5.0% was warranted.

Sale 3: no adjustment was warranted.

Sale 4: a downward adjustment of 10.0% was warranted.

Sale 5: an upward adjustment of 5.0% was warranted.



Frontage

The subject property features average frontage characteristics along a single thoroughfare.

Sale 1: a downward adjustment of 5.0% was warranted.

Sale 2: a downward adjustment of 5.0% was warranted.

Sale 3: no adjustment was warranted.

Sale 4: a downward adjustment of 5.0% was warranted.

Sale 5: an upward adjustment of 5.0% was warranted.

Utilities

The subject property does have utilities in place on the date of value.

Sale 1: no adjustment was warranted.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: no adjustment was warranted.

Topography

The subject has a level topography.

Sale 1: no adjustment was warranted.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: no adjustment was warranted.

Floodplain

A property's location within flood zone areas is typically a negative factor due to the increased costs of raising improvements up out of the floodplain, as well as additional insurance costs associated with improvements.

Sale 1: no adjustment was warranted.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: no adjustment was warranted.

Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment.

The subject site is zoned Light Industrial.

Sale 1: no adjustment was warranted.



Sale 2: no adjustment was warranted.
Sale 3: no adjustment was warranted.
Sale 4: no adjustment was warranted.
Sale 5: no adjustment was warranted.

Traffic Counts

Sale 1: no adjustment was warranted.
Sale 2: an upward adjustment of 5.0% was warranted.
Sale 3: an upward adjustment of 5.0% was warranted.
Sale 4: no adjustment was warranted.
Sale 5: no adjustment was warranted.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

VACANT GROCERY STORE
LAND VALUATION

LAND SALES ADJUSTMENT GRID

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1435358	1435333	378262	378813	378635
Date of Value & Sale	November-20	Listing	May-19	July-16	May-16	September-15
Property Name		Commercial/Retail	Watertown	GRB Academy Site	Culver's Site	Beaver Dam
	Vacant Grocery Store	Land for Sale	Proposed MF Land			Regional Eye
Unadjusted Sales Price		\$625,000	\$155,000	\$325,000	\$380,000	\$113,490
Usable Square Feet	155,056	108,900	175,198	177,289	94,961	164,787
Unadjusted Sales Price per Usable Sq. Ft.		\$5.74	\$0.88	\$1.83	\$4.00	\$0.69
Transactional Adjustments						
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjusted Sales Price		\$5.74	\$0.88	\$1.83	\$4.00	\$0.69
Financing Terms	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Adjusted Sales Price		\$5.74	\$0.88	\$1.83	\$4.00	\$0.69
Conditions of Sale	Typical	Listing	Typical	Typical	Typical	Typical
Adjustment		-25.0%	-	-	-	-
Adjusted Sales Price		\$4.30	\$0.88	\$1.83	\$4.00	\$0.69
Expenditures after Sale		\$0	\$0	\$0	\$0	\$0
Adjusted Sales Price		\$4.30	\$0.88	\$1.83	\$4.00	\$0.69
Market Conditions Adjustments						
Elapsed Time from Date of Value		0.00 years	1.44 years	4.33 years	4.50 years	5.09 years
Market Trend Through	November-20	-	2.9%	8.7%	9.0%	10.2%
Analyzed Sales Price		\$4.30	\$0.91	\$1.99	\$4.36	\$0.76
Physical Adjustments						
Location	150 Commerce Dr Columbus, Wisconsin	219 Industrial Dr Columbus, Wisconsin	1225 North 4th Street Watertown, Wisconsin	6385 North Towne Rd. De Forest, Wisconsin	1599 Landmark Drive Cottage Grove, Wisconsin	240 Corporate Drive Beaver Dam, Wisconsin
Adjustment		-10.0%	-	-	-	-
Size	155,056 sf	108,900 sf	175,198 sf	177,289 sf	94,961 sf	164,787 sf
Adjustment		-6.0%	1.0%	1.0%	-8.0%	1.0%
Shape/Depth	Slightly Irregular	Generally Rectangular	Irregular	Rectangular	Generally Rectangular	Irregular
Adjustment		-	5.0%	-	-	5.0%
Corner Exposure	Interior	Interior	Corner	Interior	Double Corner	Interior
Adjustment		-	-5.0%	-	-10.0%	5.0%
Frontage	Primary - 183 feet & Secondary - 280 feet	Primary - 232 feet & Secondary - 720 feet	Primary - 860 feet & Secondary - 530 feet	Primary - 545 feet	Primary - 430 feet & Secondary - 195 feet	Primary - 53 feet
Adjustment		-5.0%	-5.0%	-	-5.0%	5.0%
Utilities	All Available	All Available	All Available	All Available	All Available	All Available
Adjustment		-	-	-	-	-
Topography	Level	Level	Level	Level	Level	Level
Adjustment		-	-	-	-	-
Floodplain	Zone X	Zone X	Zone X	Zone X	Zone X	Zone X
Adjustment		-	-	-	-	-
Zoning	I-1	I-1	GB	B-2	PI	MO
Adjustment		-	-	-	-	-
Traffic Counts	12500	10700	6900	N/A	12400	12100
Adjustment		-	5.0%	5.0%	-	-
Net Physical Adjustment		-21.0%	1.0%	6.0%	-23.0%	16.0%
Adjusted Sales Price per Usable Square Foot		\$3.40	\$0.92	\$2.11	\$3.36	\$0.88



Conclusion

From the market data available, we used five land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted unit prices:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sales Price per Usable Square Foot	\$0.69	\$0.76	\$0.88
Maximum Sales Price per Usable Square Foot	\$5.74	\$4.36	\$3.40
Median Sales Price per Usable Square Foot	\$1.83	\$1.99	\$2.11
Mean Sales Price per Usable Square Foot	\$2.63	\$2.47	\$2.13

The most comparable of the sales used were numbers 2 and 3 as they featured the least amount of adjustments. The adjusted prices for these sales ranged from \$0.90 to \$2.07 per square foot, with an average of \$1.49 per square foot.

Based on the adjusted prices and the most comparable sale(s), a unit value for the subject property is near the lower-end of the adjusted range, or \$2.00 per usable square foot. This indicates a market value of \$310,000.

Based on this analysis, the land value indication is summarized as follows:

Land Value Indication

Reasonable Adjusted Comparable Range				
155,056 square feet	x	\$1.75 psf	=	\$271,348
155,056 square feet	x	\$2.25 psf	=	\$348,876
Market Value Opinion				(Rounded)
155,056 square feet	x	\$2.00 psf	=	\$310,000



Cost Approach

Methodology

The cost approach develops an indication of market value by estimating replacement or reproduction cost of the improvements, deducting all appropriate forms of depreciation and adding land value. This approach is based on the premise that an investor or buyer of real estate would pay no more for a specific property than the cost to replace or reproduce the improvements less any accrued depreciation plus payment of entrepreneurial incentive and land value.

Direct Costs

To estimate direct costs of the building, we used replacement cost. Marshall Valuation Service is a national cost contracting service with years of evaluation experience and continued analysis of the cost of new construction. The calculator method was used to determine the replacement cost of the improvements.

Direct Building Cost

Marshall Valuation Service cost figures indicated total direct building construction costs of \$4,051,865 or \$111.01 per square foot of gross building area. A calculation of total direct building costs for the subject property follows.

**Direct Cost - Building**

Building Identification/Name		Grocery Store
Gross Building Area		36,500 sf
Number of Floors		1
Year Built		2015
Effective Age		4 years
Marshall Valuation Service		
Date		May-18
Section		13
Page		20
Type		Supermarkets
Class		C
Quality		Good
Base Cost/SF of GBA		\$108.00
Base Cost Adjustments		
Sprinklers		\$3.00
Base Cost Subtotal		\$111.00
Multipliers		
Current		1.010(x)
Local		1.080(x)
Perimeter		0.845(x)
Story Height		1.085(x)
Number of Floors		1.000(x)
Net Multiplier		1.000(x)
Adj. Direct Building Cost/SF of GBA		\$111.01
Adj. Total Direct Building Cost		\$4,051,865

Direct Site Improvement Cost

Direct site improvement costs were estimated at \$271,064, as presented in the following table:

Direct Cost - Site Improvements

Item	Size/Quantity	Base Unit Cost	Multipliers		Total
			Current	Local	Base Cost
Landscaping	22,000 square feet x	\$2.50 x	1.010 x	1.080 =	\$59,994
Paving/Asphalt	96,750 square feet x	\$2.00 x	1.010 x	1.080 =	\$211,070
Total Site Improvement Costs					\$271,064

Indirect Costs

Comparable properties indicated indirect costs of 5 percent of direct costs, most of which is included in the Marshall Valuation Service figures above. We estimated an additional expense of 5.00% of direct costs for items not included, or \$216,146. The calculation is presented in the following table:

**Additional Indirect Cost**

Item	Building + Site		Rate		Total Cost
	Direct Costs				
Professional Fees Excluded from MVS	\$4,322,929	x	5.00%	=	\$216,146
Additional Indirect Costs					\$216,146

Total Direct and Indirect CostMarshall Valuation Service

The Marshall Valuation Service cost figures indicated a total direct and indirect cost of \$4,539,075, as presented in the following table:

Marshall Valuation Service Direct and Indirect Cost

Component	Cost Estimate
Direct Building Cost	\$4,051,865
Direct Site Improvement Cost	\$271,064
Additional Indirect Cost	\$216,146
Total Direct and Indirect Cost	\$4,539,075

Developer's Budget

In addition to the Marshall Valuation Service cost figures, we reviewed the developer's direct and indirect construction budget, excluding profit and personal property, which totals \$5,200,000. It was reported that the original total development cost was approximately \$8,300,000, which included \$2,100,000 in FF&E costs and an additional \$1,000,000 in land value allocation that was based upon a former appraisal. Please note that the developers budget was verbally provided by ownership, however, documentation to verify this estimate was not provided. Therefore, primary reliance was placed on the MVS estimates.

Reconciled Total Direct and Indirect Cost

Our analysis indicated a variance of 12.7% between the Marshall Valuation Service and developer's direct and indirect cost indications, which is reasonable. Considering the developer's budget is a historical figure and no documentation was provided to support this estimate, we placed the most weight on the Marshall Valuation Service figures. The comparison and reconciled total direct and indirect cost is presented in the following table:

Developer vs. MVS Direct and Indirect Cost Comparison

Cost Indicator	Direct and Indirect Cost
Marshall Valuation Service	\$4,539,075
Developer's Budget - 2015 Costs	\$5,200,000
Variance	12.7%
Appraiser's Estimate	\$4,600,000



Entrepreneurial Incentive

For this analysis, entrepreneurial incentive was estimated at 10.0% percent of construction cost and land value, or \$491,000, which is appropriate for retail oriented development. The calculation is presented in the following table:

Entrepreneurial Incentive Calculation

Replacement Cost New plus Land		Entrepreneurial Incentive
\$4,910,000	x 10.0%	= \$491,000

Replacement Cost New

Adding entrepreneurial incentive to the reconciled total direct and indirect cost resulted in a replacement cost new of \$5,091,000.

Depreciation

The next step is to estimate depreciation applicable to the subject improvements. The various forms of depreciation are discussed as follows:

Physical Deterioration

Physical deterioration is a reduction in utility resulting from an impairment of physical condition and is delineated into curable and incurable components.

Curable Physical

Based on our property visit and discussions with the property owners, the subject property does not exhibit deferred maintenance.

Incurable Physical

Total incurable physical depreciation was estimated at 10.0%, or \$509,100. The calculation is presented in the following table:

Depreciation - Economic Age-Life Method

Replacement Cost New	\$5,091,000
Effective Age	4 years
Economic Life	40 years
Calculated Depreciation Ratio	10.0%
Indicated Incurable Depreciation	\$509,100

Functional Obsolescence

The subject property is representative of market standards and the ideal improvement. Therefore, no functional obsolescence was considered.

External Obsolescence

The subject property does not suffer from external obsolescence.



External Obsolescence Analysis

Replacement Cost New + Market Value of Land	\$5,401,000
Less: Physical Deterioration	-\$509,100
Less: Functional Obsolescence	\$0
Depreciated Cost Estimate	\$4,891,900
x Overall Capitalization Rate	7.50%
Cost Feasible Net Operating Income	\$366,893
Stabilized Net Operating Income	\$474,500
Income Loss due to External Influences	\$0
Divided by Overall Capitalization Rate	7.50%
External Obsolescence	\$0

Total Depreciation

Adding all forms of depreciation indicated total accrued depreciation of \$509,100.

Market Value of Land

The final step in the cost approach is the addition of the market land value, estimated at \$310,000.

Prospective Upon Stabilization Leased Fee Market Value Indication

The preceding cost analysis indicated a prospective upon stabilization leased fee market value indication for the subject property of \$6,090,000 (rounded). The cost schedule is presented as follows:

Cost Approach Schedule

Replacement Cost New

Direct and Indirect Cost New	\$4,600,000
Entrepreneurial Incentive	\$491,000
Replacement Cost New	\$5,091,000

Accrued Depreciation

Physical Deterioration	
Curable (deferred maintenance)	\$0
Incurable	-\$509,100
Total Physical Deterioration	-\$509,100

Obsolescence

External	\$0
Functional	\$0
Total Obsolescence	\$0

Total Accrued Depreciation	-\$509,100
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Depreciated Cost of Improvements	\$4,581,900
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Depreciated Cost of FF&E	\$1,200,000
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Estimated Market Value of Land	\$310,000
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Preliminary Prospective Upon Stabilization Leased Fee Value Indication	\$6,090,000
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Prospective Upon Stabilization Leased Fee Market Value Indication

Lease-Up Discount

As discussed in the Income Capitalization Approach, the lease-up discount of \$2,230,000 was deducted from the preliminary value estimate.

As Is Fee Simple Market Value Indication

Based on this analysis, the cost approach indications are summarized as follows:

Cost Approach Value Indications	
Preliminary Prospective Upon Stabilization Leased Fee Value Indication	\$6,090,000
Prospective Upon Stabilization Leased Fee Market Value Indication	\$6,090,000
Less Lease-Up Discount:	\$2,230,000
As Is Fee Simple Market Value Indication	\$3,860,000



Sales Comparison Approach

Methodology

The sales comparison approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

The process of developing the sales comparison approach consists of the following: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject.

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for retail properties such as the subject property is price per square foot of net rentable area or price per square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, and (7) physical characteristics.

Comparable Sales Data

To obtain and verify comparable sales and listings of retail properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, as well as a review of our internal database.

We included five sales in our analysis, as these sales were judged to be the most comparable to develop an indication of market value for the subject property. The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.



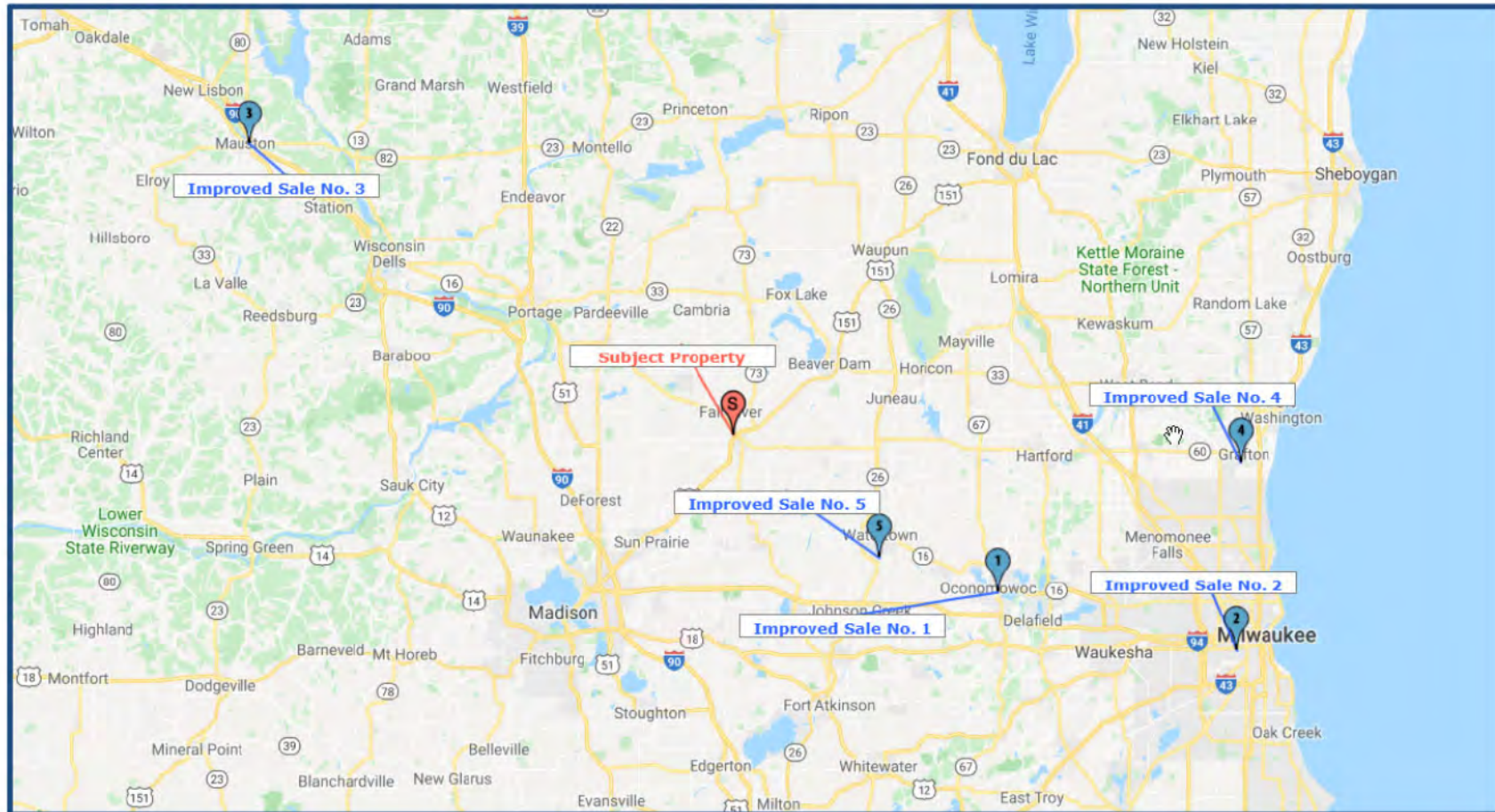
VACANT GROCERY STORE
SALES COMPARISON APPROACH

Improved Sales Summary

Comp. No.	Date of Sale	Property			Year		Occupancy at Sale	Unadjusted	
		Name	Location		Built	NRA		Sale Price	PSF
1	July-19	Pick 'n Save	36903 E Wisconsin Ave	Oconomowoc, Wisconsin	2008	61,700	100.0%	\$13,289,300	\$215.39
2	November-18	Cermak Fresh Market	1541 Miller Park Way	Milwaukee, Wisconsin	2012	70,375	100.0%	\$7,500,000	\$106.57
3	July-18	Shopko	406 Gateway Ave	Mauston, Wisconsin	2015	26,395	100.0%	\$3,600,000	\$136.39
4	March-18	Pick 'n Save - Highland Ridge	301 Falls Rd	Grafton, Wisconsin	2008	54,966	100.0%	\$12,046,033	\$219.15
5	July-17	Tractor Supply	1911 Market Way	Watertown, Wisconsin	2005	23,627	100.0%	\$3,600,000	\$152.37



COMPARABLE SALES MAP





VACANT GROCERY STORE
SALES COMPARISON APPROACH

RETAIL COMPARABLE 1



Property Identification

Property/Sale ID	10999772/1435771
Property Type	Free Standing Building
Property Name	Pick 'n Save
Address	36903 E Wisconsin Ave
City, State Zip	Oconomowoc, Wisconsin 53066
County	Waukesha
MSA	Milwaukee-Waukesha
Latitude/Longitude	43.105710/-88.477447
Tax ID	OCLV-0586-994-003

Transaction Data

Sale Date	07-11-2019	Recording Number	4408301
Sale Status	Closed	Days on Market	183
Grantor	McAdams Realty	Sale Price	\$13,289,300
	Oconomowoc Llp	Financing Adj.	\$0
Grantee	ExchangeRight Net Leased	Sale Conditions Adj.	\$0
	Portfolio 28 DST	Exp. Imm. After Sale	\$0
Property Rights	Leased Fee	Non-Realty Adj.	\$0
Financing	Cash to Seller	Excess Land	\$500,000
Conditions of Sale	Excess Land	Adjusted Price	\$12,789,300

Property Description

Gross Building SF	61,700	Year Built	2008
Net Rentable SF	61,700	Effective Age (est.)	5
No. of Lots	1	Investment Class	C
Stories	1	Occupancy Type	Tenant occupied
Building Condition	Good	Tenancy	Single-Tenant
Building Quality	Good	Sprinklers	Wet system
Construction Class	C - Masonry	Parking Conforms	Yes

VACANT GROCERY STORE
SALES COMPARISON APPROACH

Parking Spaces	298	Gross Land to Bldg	5.76
Pkg/1,000 SF GBA	4.83	Usable Land to Bldg	5.76
Pkg/1,000 SF NRA	4.83	Access	Good
Gross Acres	8.16140	Visibility	Good
Usable Acres	8.16140	Corner/Interior	Corner
Flr. Area Ratio (FAR)	0.17	Flood Hazard Zone	Zone X

Financial Data & Indicators (Actual)

PGI	\$863,805	EGIM	14.806
EGI	\$863,805	NOI/SF	\$14.00
NOI	\$863,805	OAR	6.75%
PGIM	14.810		

Physical Indicators

\$/SF GBA	\$207.28	Occupancy at Sale	100.0%
\$/SF NRA	\$207.28		

Verification

Confirmed With	Broker, SDS, CoStar, Deed, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-07-2019

Remarks

This is the sale of a grocery store building located in Oconomowoc WI and occupied by Pick 'n Save. The 61,700-square foot building was constructed in 2008 and sits on a 8.1614-acre site, with approximately 1.79 acres of excess land. Daily traffic counts at the time were about 21,700 vehicles per day with a median household income of \$90,731 (three-mile radius). In July of 2019, the property sold for \$13,289,300 or \$207.28 per square foot (excluding excess land value estimated at \$500,000). The reported cap rate of 6.50%. The offering was on the market for approximately six months with asking price of \$13,820,800. The original 21-year lease started in January of 2009 and expires in December of 2029. The original effective rent was \$14.00 per square foot, NNN.



VACANT GROCERY STORE
SALES COMPARISON APPROACH

RETAIL COMPARABLE 2



Property Identification

Property/Sale ID	10999569/1435632
Property Type	Free Standing Building
Property Name	Cermak Fresh Market
Address	1541 Miller Park Way
City, State Zip	Milwaukee, Wisconsin 53214
County	Milwaukee
MSA	Milwaukee-Waukesha
Latitude/Longitude	43.014452/-87.970079
Tax ID	457-0470-000 and 457-0471-000

Transaction Data

Sale Date	11-26-2018	Recording Number	10831007
Sale Status	Closed	Sale Price	\$7,500,000
Grantor	Westmilw LLC	Financing Adj.	\$0
Grantee	1541 Mpw Lc	Sale Conditions Adj.	\$0
Property Rights	Fee Simple	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Exercised Option to Purchase	Adjusted Price	\$7,500,000

Property Description

Gross Building SF	70,375	Investment Class	C
Net Rentable SF	70,375	Occupancy Type	Owner and tenant occupied
Stories	1	Tenancy	Multi-Tenant
Building Condition	Good	Sprinklers	Wet system
Building Quality	Good	Parking Spaces	330
Construction Class	C - Masonry	Pkg/1,000 SF GBA	4.69
Year Built	2012	Pkg/1,000 SF NRA	4.69
Effective Age (est.)	5		



VACANT GROCERY STORE
SALES COMPARISON APPROACH

Gross Acres	6.00000	Access	Good
Usable Acres	6.00000	Visibility	Good
Flr. Area Ratio (FAR)	0.27	Corner/Interior	Interior
Gross Land to Bldg	3.71	Flood Hazard Zone	Zone X
Usable Land to Bldg	3.71		

Physical Indicators

\$/SF GBA	\$106.57	Occupancy at Sale	100.0%
\$/SF NRA	\$106.57		

Verification

Confirmed With	SDS, CoStar, Deed, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago

Remarks

This is the sale of a 61,000-square foot grocery store and strip center property located at 1541 Miller Park Way in Milwaukee WI. The grocery store is part of a larger shopping center that is anchored by Target. Included in this sale is a 9,375-square foot multi-tenant strip center, which was fully occupied at the time of sale. Therefore, the total building area of the sale included 70,375-square feet. The buildings were constructed in 2012 and sit on an approximate 6-acre site. The average daily traffic count is 39,900 vehicles per day and the median household income within a 3-mile radius is \$38,562. The grocery store was purchased by the tenant, Cermak Fresh Market. In November of 2018, the properties sold for \$7,500,000 or \$106.57 per square foot. Prior to the sale, Cermak Fresh Market was paying \$10.00 PSF NNN in rent with a lease expiration date in August 2032. The lease was dissolved upon the sale.





VACANT GROCERY STORE
SALES COMPARISON APPROACH

RETAIL COMPARABLE 3



Property Identification

Property/Sale ID	10999594/1435648
Property Type	Free Standing Building
Property Name	Shopko
Address	406 Gateway Ave
City, State Zip	Mauston, Wisconsin 53948
County	Juneau
MSA	N/A
Latitude/Longitude	43.797366/-90.068444
Tax ID	29-251-0294.024

Transaction Data

Sale Date	07-20-2018	Days on Market	191
Sale Status	Closed	Sale Price	\$3,600,000
Grantor	AGREE LIMITED PARTNERSHIP	Financing Adj.	\$0
Grantee	EAST MED LLC	Sale Conditions Adj.	\$0
Property Rights	Leased Fee	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Typical	Adjusted Price	\$3,600,000

Property Description

Gross Building SF	26,395	Effective Age (est.)	2
Net Rentable SF	26,395	Investment Class	C
No. of Lots	1	Occupancy Type	Tenant occupied
Stories	1	Tenancy	Single-Tenant
Building Condition	Average	Sprinklers	Wet system
Building Quality	Average	Parking Conforms	Yes
Construction Class	C - Masonry	Parking Spaces	98
Year Built	2015	Pkg/1,000 SF GBA	3.71

VACANT GROCERY STORE
SALES COMPARISON APPROACH

Pkg/1,000 SF NRA	3.71	Usable Land to Bldg	4.16
Gross Acres	2.52000	Access	Average
Usable Acres	2.52000	Visibility	Average
Flr. Area Ratio (FAR)	0.24	Corner/Interior	Corner
Gross Land to Bldg	4.16	Flood Hazard Zone	Zone X

Financial Data & Indicators (Actual)

PGI	\$363,284	EGIM	9.910
EGI	\$363,284	NOI/SF	\$13.76
NOI	\$363,284	OAR	10.09%
PGIM	9.910		

Physical Indicators

\$/SF GBA	\$136.39	Occupancy at Sale	100.0%
\$/SF NRA	\$136.39		

Verification

Confirmed With	Broker, CoStar, Deed, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-07-2019

Remarks

This is the sale of a 26,395-square foot retail property occupied by Shopko and located in Mauston, WI. The Shopko Hometown features a pharmacy drive-thru and good visibility. At the time of sale, there were over 12 years remaining on the Shopko Hometown lease which expires in October 2030. The lease features 3% rental escalations every five years and four 5-year renewal option periods. The building was constructed in 2015 and is strategically located off of the signalized intersection of Gateway Avenue and Union Street. The intersection experiences a combined traffic count of 27,500 vehicles per day, with 11,100 vehicles per day in front of the subject location. The median household income within 3-miles is \$50,851. The property is also less than one-half mile from Interstate 90 with interchangeable access. In July of 2018, the property sold for \$3,600,000 or \$136.39 per square foot. It was on the market for a little over 6 months with an initial asking price of \$4,403,500. The cap rate was 10.09% based on in place income. Please note that Shopko filed for Chapter 11 bankruptcy on January 16, 2019. On March 18, 2019, Shopko announced it would close all of its locations by summer 2019. All remaining locations closed at the end of business on June 23, 2019. At the time of the sale, this was not known by the investor who purchased the property.



VACANT GROCERY STORE
SALES COMPARISON APPROACH

RETAIL COMPARABLE 4



Property Identification

Property/Sale ID	10999677/1435708
Property Type	Free Standing Building
Property Name	Pick 'n Save - Highland Ridge
Address	301 Falls Rd
City, State Zip	Grafton, Wisconsin 53024
County	Ozaukee
MSA	Milwaukee-Waukesha
Latitude/Longitude	43.307897/-87.961812
Tax ID	Part of 10-025-06-008.00

Transaction Data

Sale Date	03-06-2018	Recording Number	1061461
Sale Status	Closed	Sale Price	\$12,046,033
Grantor	Grafton, LLC	Financing Adj.	\$0
Grantee	Exchangeright Net Leased Portfolio 20, LLC	Sale Conditions Adj.	\$0
Property Rights	Leased Fee	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Typical	Adjusted Price	\$12,046,033

Property Description

Gross Building SF	54,966	Effective Age (est.)	5
Net Rentable SF	54,966	Investment Class	C
No. of Lots	1	Occupancy Type	Tenant occupied
Stories	1	Tenancy	Single-Tenant
Building Condition	Good	Sprinklers	Wet system
Building Quality	Good	Parking Conforms	Yes
Construction Class	C - Masonry	Parking Spaces	400
Year Built	2008	Pkg/1,000 SF GBA	7.28

VACANT GROCERY STORE
SALES COMPARISON APPROACH

Pkg/1,000 SF NRA	7.28	Usable Land to Bldg	6.06
Gross Acres	7.64120	Access	Good
Usable Acres	7.64120	Visibility	Good
Flr. Area Ratio (FAR)	0.17	Corner/Interior	Through Lot
Gross Land to Bldg	6.06	Flood Hazard Zone	Zone X

Financial Data & Indicators (Actual)

PGI	\$919,884	EGIM	13.095
EGI	\$919,884	NOI/SF	\$16.74
NOI	\$919,884	OAR	7.64%
PGIM	13.100		

Physical Indicators

\$/SF GBA	\$219.15	Occupancy at Sale	100.0%
\$/SF NRA	\$219.15		

Verification

Confirmed With	SDS, CoStar, Deed, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-07-2019

Remarks

This is the sale of a grocery store building located in Grafton WI and occupied by Pick 'n Save. The center is known as Highland Ridge, which is a redevelopment of Manchester Mall anchored by Pick 'n Save. The building is attached to a small strip center that is not part of this transaction. The 54,966-square foot building was constructed in 2008 and sits on a 7.641-acre site. Daily traffic counts at the time were about 6,000 vehicles per day along Falls Road and 9,800 vehicles per day along Wisconsin Avenue with median household income of \$84,540 (three-mile radius), and about 22 miles from downtown Milwaukee. In February of 2018, the property sold for \$12,046,033 or a reported cap rate of 7.64%. The offering had gone to market in Q4 2017 with asking price of \$12,430,867 at an asking 7.4% cap rate.



RETAIL COMPARABLE 5



Property Identification

Property/Sale ID	10999717/1435730
Property Type	Free Standing Building
Property Name	Tractor Supply
Address	1911 Market Way
City, State Zip	Watertown, Wisconsin 53094
County	Jefferson
MSA	N/A
Latitude/Longitude	43.159442/-88.729927
Tax ID	291-0815-1632-007

Transaction Data

Sale Date	07-07-2017	Days on Market	263
Sale Status	Closed	Sale Price	\$3,600,000
Grantor	Cole TS Watertown WI DST	Financing Adj.	\$0
Grantee	Watertown Gateway LLC	Sale Conditions Adj.	\$0
Property Rights	Leased Fee	Exp. Imm. After Sale	\$0
Financing	Cash to Seller	Non-Realty Adj.	\$0
Conditions of Sale	Typical	Adjusted Price	\$3,600,000
Recording Number	1385072		

Property Description

Gross Building SF	23,627	Effective Age (est.)	7
Net Rentable SF	23,627	Investment Class	C
No. of Lots	1	Occupancy Type	Tenant occupied
Stories	1	Tenancy	Single-Tenant
Building Condition	Average	Sprinklers	Wet system
Building Quality	Average	Parking Spaces	40
Construction Class	C - Masonry	Pkg/1,000 SF GBA	1.69
Year Built	2005	Pkg/1,000 SF NRA	1.69

VACANT GROCERY STORE
SALES COMPARISON APPROACH

Gross Acres	4.67500	Access	Good
Usable Acres	4.67500	Visibility	Average
Flr. Area Ratio (FAR)	0.12	Corner/Interior	Through Lot
Gross Land to Bldg	8.62	Flood Hazard Zone	Zone X
Usable Land to Bldg	8.62		

Financial Data & Indicators (Actual)

PGI	\$263,575	EGIM	13.658
EGI	\$263,575	NOI/SF	\$11.16
NOI	\$263,575	OAR	7.32%
PGIM	13.660		

Physical Indicators

\$/SF GBA	\$152.37	Occupancy at Sale	100.0%
\$/SF NRA	\$152.37		

Verification

Confirmed With	SDS, CoStar, Deed, Public Records, Assessor
Confirmed By	Valbridge Property Advisors Chicago
Confirmation Date	11-07-2019

Remarks

This is the sale of a 23,627-square foot, net leased freestanding retail building located in Watertown WI. The building was constructed in 2005 and is located on a 4.675-acre lot. The property is occupied by Tractor Supply on a 14-year lease that had less than four years remaining on the lease at the time of sale, with the lease expiring on January 31, 2021. The lease rate was \$11.15 per square foot, NNN with 2% annual increases in rent. Tractor Supply Company is the largest operator of rural lifestyle retail stores in America. The property is located just south of a Walmart Supercenter and a municipal airport. The average daily traffic count to the north of the subject along Air Park Drive is 4,300 and the median household income within a 3-mile radius is \$47,495. In July of 2017, the property sold for \$3,600,000 or \$152.37 per square foot. It was on the market for almost eight months with an initial asking price of \$3,833,314. The reported cap rate was 7.32%.



Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment to the comparable was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. In the case of the subject property, the fee simple interest is considered on an "as is" basis. However, as the subject is currently vacant, a hypothetical "as stabilized" value estimate is required so that a lease up discount can be deducted from the "as stabilized" value to estimate the current "as is" market value. Therefore, only one of the sale comparables conveyed the fee simple interest (purchase by tenant sale); and the remaining sales conveyed the lease fee interest, which is consistent with the estimation of the "as stabilized" market value premise, therefore, no adjustments were required.

Sale 1: no adjustment was warranted.
Sale 2: no adjustment was warranted.
Sale 3: no adjustment was warranted.
Sale 4: no adjustment was warranted.
Sale 5: no adjustment was warranted.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Sale 1: no adjustment was warranted.
Sale 2: no adjustment was warranted.
Sale 3: no adjustment was warranted.
Sale 4: no adjustment was warranted.
Sale 5: no adjustment was warranted.

Conditions of Sale

Atypical conditions of sale may result in a price that is higher or lower than a normal transaction. Such atypical conditions of sale often occur in conjunction with sales between related parties or those in



which one of the parties is atypically motivated to complete the transaction. Additionally, a downward adjustment may be applied to a listing price, which usually reflects the upper limit of value.

Sale 1: a downward adjustment of 3.8% was warranted due to excess land valued at \$500,000.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: no adjustment was warranted.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, costs to remediate environmental contamination and/or costs to occupy or stabilize the property. The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. The parties to the sale comparables did not anticipate expenditures immediately after purchase; no adjustments were required.

Sale 1: no adjustment was warranted.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: no adjustment was warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Discussions with market participants and a review of market data indicated overall market conditions for retail properties, especially grocery stores, have been improving, with recent transactions confirming this trend. As such, applied an adjustment to each comparable based on a factor of 2.00% per year.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments.

Our reasoning for the property adjustments made to each sale comparable follows. The discussion will analyze each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics,



freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject property is located along Commercial Drive with average access and good visibility.

Sale 1: a downward adjustment of 10.0% was warranted due to its superior commercial location.

Sale 2: a downward adjustment of 10.0% was warranted due to its superior commercial location.

Sale 3: an upward adjustment of 5.0% was warranted due to its inferior commercial location.

Sale 4: a downward adjustment of 10.0% was warranted due to its superior commercial location.

Sale 5: no adjustment was warranted.

Please note that the location adjustments were based on the Location Index provided by Sales Data Service (SDS). According to SDS, "based on the review and scoring of Census data, Wisconsin Department of Revenue data, and geographic/transportation data, each Wisconsin Zip Code now has an SDS Location Index. The objective of the index is to compare the location of a Subject property with the locations of comparable properties.

That is, you can compare the SDS Location Index to the indices for your comparable properties: a property with a higher index would suggest a superior location, and a lower index would suggest an inferior location. The degree of adjustment, however, is left up to the individual." Therefore, based on the respective Location Indices, we have made adjustments to the comparable properties. The subject's Location Index is 258.1 and the comparables ranged from 233.4 to 339.3 with a range average of 296.8.

Size

The size adjustment addresses variance in the net rentable area of the comparables and that of the subject, as a larger building typically commands a lower sale price per unit than a smaller building. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject property consists of 36,500 square feet of net rentable area. The improved sales range in size from 23,627 to 70,375 and required size adjustments. We applied an adjustment factor of approximately 10% per doubling to each sale, which resulted in total adjustments ranging from negative 7.0% to positive 9.0%.

Sale 1: an upward adjustment of 7.0% was warranted given its larger size.

Sale 2: an upward adjustment of 9.0% was warranted given its larger size.

Sale 3: a downward adjustment of 6.0% was warranted given its smaller size.

Sale 4: an upward adjustment of 5.0% was warranted given its larger size.

Sale 5: a downward adjustment of 7.0% was warranted given its smaller size.

Age/Condition

All else being equal, older properties typically command a lower price per square foot than newer properties. However, although a property may be physically older than another property, the effective age may be similar to a newer property and no adjustment may be indicated. This may be due to the older property being well maintained or a recent renovation. We based the adjustments to the comparables on effective age rather than physical age. This takes the overall condition of a property into consideration.



The subject property was built in 2015 and is in good condition, with an effective age of 4 years. The sale comparables were built from 2005 to 2015 and have effective ages ranging from 2 to 7 years. To account for differences in effective age, we reviewed the Marshall Valuation Service depreciation schedule for commercial properties, which is presented in the following table:

Marshall Valuation Service Depreciation Schedule

Property	Effective Age	40-Year Depreciation
Sale 3	2	2.0%
	3	3.0%
Subject	4	4.0%
Sale 1, Sale 2, and Sale 4	5	5.0%
	6	6.0%
Sale 5	7	7.0%

The effective age and economic life of each property was estimated by the appraiser, and the adjustments were based on the difference between the indicated depreciation for the subject property and each sale comparable.

Sale 1 was built in 2008 and is in good condition with an effective age of 5 years. Therefore, an upward adjustment of 1.0% was warranted.

Sale 2 was built in 2012 and is in good condition with an effective age of 5 years. Therefore, an upward adjustment of 1.0% was warranted.

Sale 3 was built in 2015 and is in average condition with an effective age of 2 years. Therefore, a downward adjustment of 2.0% was warranted.

Sale 4 was built in 2008 and is in good condition with an effective age of 5 years. Therefore, an upward adjustment of 1.0% was warranted.

Sale 5 was built in 2005 and is in average condition with an effective age of 7 years. Therefore, an upward adjustment of 3.0% was warranted.

Construction Quality

The subject property consists of good quality masonry construction.

Sale 1 consists of good class c - masonry quality with no adjustment warranted.

Sale 2 consists of good class c - masonry quality with no adjustment warranted.

Sale 3 consists of average class c - masonry quality with no adjustment warranted.

Sale 4 consists of good class c - masonry quality with no adjustment warranted.

Sale 5 consists of average class c - masonry quality with no adjustment warranted.



Design/Functional Utility

Sale 1: a downward adjustment of 5.0% was warranted given its superior design as a Pick 'n Save store.
Sale 2: no adjustment was warranted.
Sale 3: no adjustment was warranted.
Sale 4: a downward adjustment of 5.0% was warranted given its superior design as a Pick 'n Save store.
Sale 5: an upward adjustment of 5.0% was warranted given its inferior design as a general merchandise store.

Land-to-Building Ratio

The subject property has a land-to-building ratio of 4.25-to-1.

Sale 1: a downward adjustment of 5.0% was warranted given its superior land to building ratio.
Sale 2: an upward adjustment of 5.0% was warranted given its inferior land to building ratio.
Sale 3: no adjustment was warranted.
Sale 4: a downward adjustment of 10.0% was warranted given its superior land to building ratio.
Sale 5: a downward adjustment of 10.0% was warranted given its superior land to building ratio.

Parking Ratio

The subject property has a parking ratio of 3.45 per 1,000-square feet.

Sale 1: no adjustment was warranted.
Sale 2: no adjustment was warranted.
Sale 3: no adjustment was warranted.
Sale 4: a downward adjustment of 5.0% was warranted given its superior parking ratio.
Sale 5: an upward adjustment of 5.0% was warranted given its inferior parking ratio.

Non-Realty Components of Value

Non-realty components of value include tangible items, equipment, and business concerns that do not constitute real property but are included in either the sale price of the comparable property or the ownership interest in the subject property. These components should be analyzed separately from the real property. In most cases, the economic lives, associated investment risks, rate of return criteria, and collateral security for such non-realty components differ from those of the real property.

Furniture, fixtures, and equipment are typical examples of items that may be included in a comparable sale. In appraisals of properties in which the business operation is essential to the use of the real property, the contributory value of the non-realty component must be analyzed. If the contributory value of the non-realty component cannot be separated from the value of the real property as a whole, it should make clear that the value indication using the sales comparison approach reflects both the contributory value of the real estate and the value of the business operation.

In the case of the comparable sales, effort was given to contacting a party to the transaction in order to confirm if the purchase price included FF&E. Several of the brokers responded to our request and confirmed that the sale price only included the real estate. It is our assumption that the remaining properties transacted in a similar fashion.

Traffic Count

Sale 1: a downward adjustment of 5.0% was warranted due to its superior traffic count.
Sale 2: a downward adjustment of 10.0% was warranted due to its superior traffic count.



Sale 3: no adjustment was warranted.

Sale 4: an upward adjustment of 5.0% was warranted due to its inferior traffic count.

Sale 5: an upward adjustment of 10.0% was warranted due to its inferior traffic count.

3-Mile Median HHI

Sale 1: a downward adjustment of 10.0% was warranted due to its superior three-mile median household income.

Sale 2: an upward adjustment of 10.0% was warranted due to its inferior three-mile median household income.

Sale 3: an upward adjustment of 5.0% was warranted due to its inferior three-mile median household income.

Sale 4: a downward adjustment of 5.0% was warranted due to its superior three-mile median household income.

Sale 5: an upward adjustment of 5.0% was warranted due to its inferior three-mile median household income.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.



COMPARABLE SALES ADJUSTMENT GRID

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1435771	1435632	1435648	1435708	1435730
Date of Value & Sale	May-20	July-19	November-18	July-18	March-18	July-17
Property Name	Vacant Grocery Store	Pick 'n Save	Cermak Fresh Market	Shopko	Pick 'n Save - Highland Ridge	Tractor Supply
Net Rentable Area	36,500 sf	61,700	70,375	26,395	54,966	23,627
Land Area (acres)	3.5596	8.1614	6.0000	2.5200	7.6412	4.6750
Unadjusted Sales Price		\$13,289,300	\$7,500,000	\$3,600,000	\$12,046,033	\$3,600,000
Unadjusted Sales Price PSF of NRA		\$215.39	\$106.57	\$136.39	\$219.15	\$152.37
Transactional Adjustments						
Property Rights Conveyed	Leased Fee	Leased Fee	Fee Simple	Leased Fee	Leased Fee	Leased Fee
Adjusted Sales Price		\$215.39	\$106.57	\$136.39	\$219.15	\$152.37
Financing Terms	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Adjusted Sales Price		\$215.39	\$106.57	\$136.39	\$219.15	\$152.37
Conditions of Sale	Typical	Excess Land	Exercised Option to Purchase	Typical	Typical	Typical
Adjustment		-3.8%	-	-	-	-
Adjusted Sales Price		\$207.28	\$106.57	\$136.39	\$219.15	\$152.37
Expenditures after Sale		\$0	\$0	\$0	\$0	\$0
Adjustment		-	-	-	-	-
Adjusted Sales Price		\$207.28	\$106.57	\$136.39	\$219.15	\$152.37
Market Conditions Adjustments						
Elapsed Time from Date of Value		0.81 years	1.43 years	1.78 years	2.16 years	2.82 years
Market Trend Through	May-20	1.6%	2.9%	3.6%	4.3%	5.6%
Analyzed Sales Price		\$210.63	\$109.62	\$141.25	\$228.60	\$160.96
Property Adjustments						
Location	150 Commerce Dr Columbus, Wisconsin	36903 E Wisconsin Ave Oconomowoc, Wisconsin	1541 Miller Park Way Milwaukee, Wisconsin	406 Gateway Ave Mauston, Wisconsin	301 Falls Rd Grafton, Wisconsin	1911 Market Way Watertown, Wisconsin
Adjustment		-10.0%	-10.0%	5.0%	-10.0%	-
Size	36,500 sf	61,700 sf	70,375 sf	26,395 sf	54,966 sf	23,627 sf
Adjustment		7.0%	9.0%	-6.0%	5.0%	-7.0%
Age/Condition	Year Built: 2015 Condition: Good Effective Age: 4 years Economic Life: 40 Years	2008 Good 5 years 40 Years	2012 Good 5 years 40 Years	2015 Average 2 years 40 Years	2008 Good 5 years 40 Years	2005 Average 7 years 40 Years
Adjustment		1.0%	1.0%	-2.0%	1.0%	3.0%
Construction Quality	Good Class C - Masonry	Good Class C - Masonry	Good Class C - Masonry	Average Class C - Masonry	Good Class C - Masonry	Average Class C - Masonry
Adjustment		-	-	-	-	-
Design/Functional Utility	Average	Above Average	Average	Average	Above Average	Below Average
Adjustment		-5.0%	-	-	-5.0%	5.0%
Land-to-Building Ratio	4.25-to-1	5.76-to-1	3.71-to-1	4.16-to-1	6.06-to-1	8.62-to-1
Adjustment		-5.0%	5.0%	-	-10.0%	-10.0%
Parking Ratio	3.45 per 1,000	4.83 per 1,000	4.69 per 1,000	3.71 per 1,000	7.28 per 1,000	1.69 per 1,000
Adjustment		-	-	-	-5.0%	5.0%
Non-Realty Components	FF&E	No FF&E	No FF&E	No FF&E	No FF&E	No FF&E
Adjustment		10.0%	10.0%	10.0%	10.0%	10.0%
Traffic Count	12,500	21,700	39,300	11,100	6,000	4,300
Adjustment		-5.0%	-10.0%	-	5.0%	10.0%
3-Mile Median HHI	\$68,856	\$90,731	\$38,562	\$50,851	\$84,540	\$47,495
Adjustment		-10.0%	10.0%	5.0%	-5.0%	5.0%
Net Physical Adjustment		-17.0%	15.0%	12.0%	-14.0%	21.0%
Adjusted Sales Price PSF of NRA		\$174.83	\$126.06	\$158.21	\$196.60	\$194.76



Sales Comparison Approach Value Indication

From the market data available, we used retail sales in competitive market areas which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted sale prices:

Improved Sales Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per Sq. Ft.	\$106.57	\$109.62	\$126.06
Maximum Sale Price per Sq. Ft.	\$219.15	\$228.60	\$196.60
Median Sale Price per Sq. Ft.	\$152.37	\$160.96	\$174.83
Mean Sale Price per Sq. Ft.	\$165.97	\$170.21	\$170.09

The most comparable of the sales used were numbers 1, 2 and 3 as they were the most recent sales with the least amount of adjustments. The adjusted prices for these sales ranged from \$126.06 to \$174.83 per square foot, with an average of \$153.03 per square foot and a median of \$158.21 per square foot.

Based on the adjusted prices and the most comparable sales and the average of the overall comparable sales range, a unit value for the subject property is near the middle of the adjusted overall range, or \$165.00 per square foot. This indicated a preliminary prospective upon stabilization leased fee market value indication of \$6,020,000.

Prospective Upon Stabilization Leased Fee Market Value Indication

Lease-Up Discount

As discussed in the Income Capitalization Approach, the lease-up discount of \$2,230,000 was deducted from the preliminary value estimate.

Based on this analysis, the sales comparison indications are summarized as follows:

Improved Sales Comparison Approach Value Indications

Reasonable Adjusted Comparable Range

36,500 sf	x	\$160.00	=	\$5,840,000
36,500 sf	x	\$170.00	=	\$6,205,000

Prospective Upon Stabilization Leased Fee Market Value Indication

36,500 sf	x	\$165.00	=	\$6,020,000
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Less Lease-Up Discount:

As Is Fee Simple Market Value Indication				\$3,790,000
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Income Capitalization Approach

Methodology

The income capitalization approach is developed by converting anticipated future income into a present value by a capitalization process. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

Income-producing properties, by nature, are developed and purchased for investment purposes, where earning power, including an income stream and return of investment, are the most critical elements affecting value. The forecast of income and selection of appropriate rate(s) are therefore important aspects of the valuation process. The process of developing the income approach consists of the following analyses: Market Rent Analysis, Income Analysis, Vacancy Analysis, Expense Analysis, and Rate Analysis.

Freestanding buildings leased to credit rated tenants typically feature long-term leases with flat or steadily increasing rental rates. Participants in the NNN, or "Net Leased", market use the direct capitalization method to develop an indication of market value. We used the same method herein.

Income Analysis

The subject property is currently vacant and therefore, a comparison of market rents was necessary to establish a rent for the subject property upon stabilization.

Estimate of Market Rent

To develop an opinion of market rent, we surveyed representatives of comparable and competitive properties in the local market area, focusing on those offering the greatest similarity in terms of location, size and market appeal. We used four rent comparables to derive an appropriate market rent for the subject property. Following is a table summarizing each rent comparable and a map illustrating the location of each comparable in relation to the subject. Details of each comparable follow the location map.



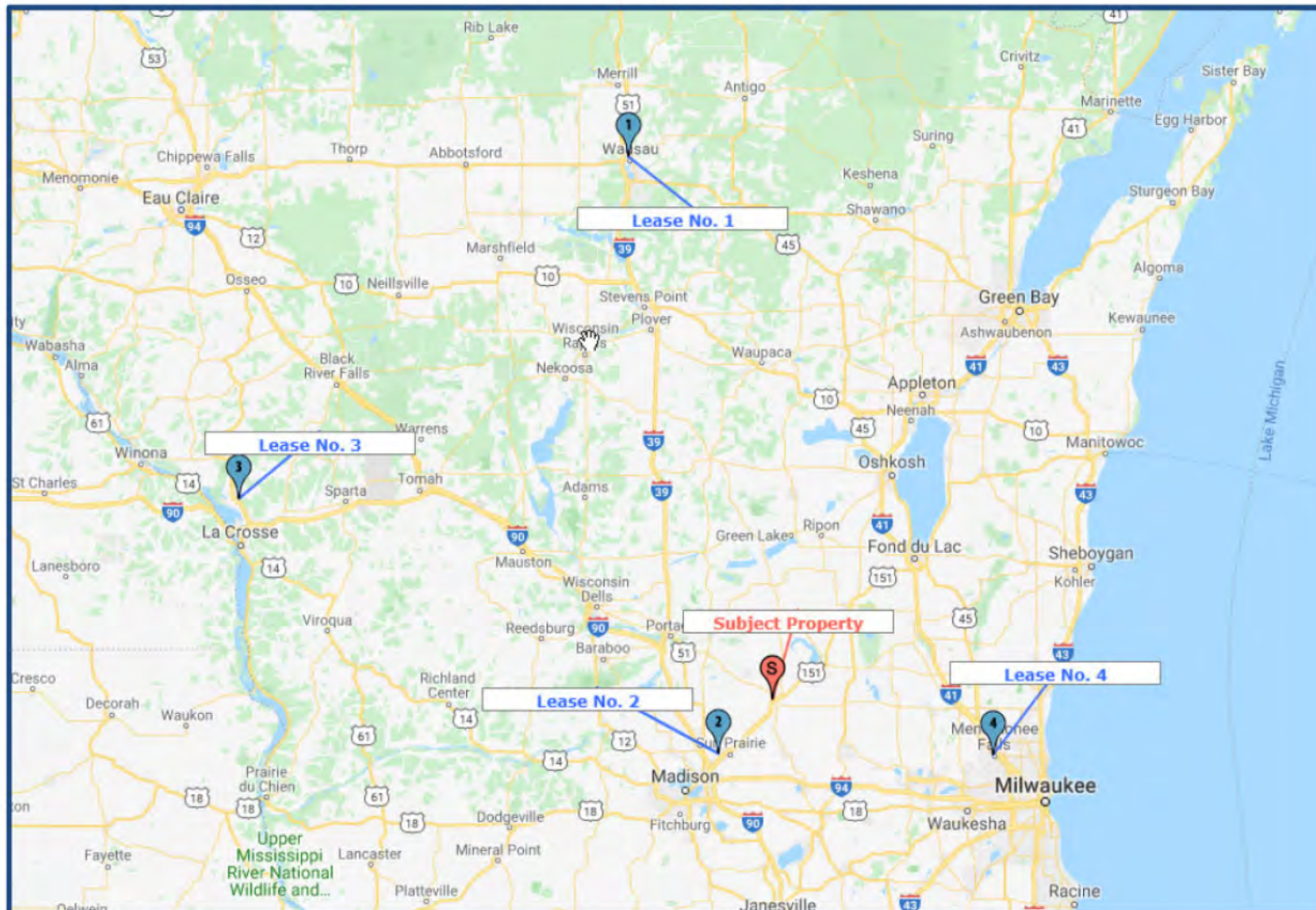
VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

Rent Comparable Summary

Comp. No.	Date of Survey / Lease	Comp. Type	Property Name	Location	Year Built	Property Occupancy	Rental Rate / SF	Lease Structure
1	March-19	Lease	Pick'n Save	205 Central Bridge St Wausau, Wisconsin	2001	100.0%	\$11.41	Triple Net
2	January-18	Lease	Pick n' Save	2538 Ironwood Drive Sun Prairie, Wisconsin	2008	100.0%	\$12.88	Triple Net
3	October-17	Lease	Festival Foods - The Shoppes at Hale Drive	123 Hale Dr Holmen, Wisconsin	2017	100.0%	\$14.48	Triple Net
4	May-17	Lease	Fresh Thyme Farmers Market	N89W16849 Appleton Ave Menomonee Falls, Wisconsin	2017	100.0%	\$14.00	Triple Net



RENT COMPARABLE LOCATION MAP





VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

RETAIL RENT COMPARABLE 1



Property Identification

Property/Rent ID	11000020/453192
Property Type	Free Standing Building
Property Name	Pick 'n Save
Address	205 Central Bridge St
City, State Zip	Wausau, Wisconsin 54401
County	Marathon
MSA	Wausau
Latitude/Longitude	44.967204/-89.634727
Tax ID	291-2907-261-0955

Transaction Data

Lessee	Pick 'n Save	Renewal Detail	2 10 Year Options
Tenant SF	67,951	Concessions/SF	\$0.00
Entire Bldg Lease	Yes	Concessions Detail	None
Lease Status	Renewal	%/Overage Clause	No
Lease Signed	12-01-2018	Rent Escalation	10% every 5 years
Commencement	03-01-2019	Property Occupancy	100.0%
Expiration	02-28-2029		
Term (mos.)	120		
Lease Type	Triple Net		
Expense Stop	No		
Renewal Options	Yes		

Rental Rates

Initial Rent/SF	\$11.41
Current Rent/SF	\$11.41
Effective Rent/SF	\$11.41

Property Description

Gross Building SF	67,951	Occupancy Type	Tenant occupied
Net Rentable SF	67,951	Building Quality	Good
Year Built	2001	Building Condition	Good
Investment Class	C	Stories	1
Tenancy	Single-Tenant	Sprinklers	Wet system



VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

Parking Spaces 406
Pkg/1,000 SF GBA 5.97
Pkg/1,000 SF NRA 5.97
Gross Acres 9.66000
Usable Acres 9.66000

Flr. Area Ratio (FAR) 0.16
Land to Bldg Ratio 6.19
Access Good
Visibility Good
Corner/Interior Interior

Verification

Confirmed With CoStar and Public Records
Confirmed By Valbridge Property Advisors | Chicago
Confirmation Date 11-08-2019

Remarks

This comparable represents the sale of a freestanding Pick 'n Save grocery store located at 205 Central Bridge St, Wausau, Wisconsin. The 67,951-square foot building is situated along the Wisconsin River on a 9.66-acre site and was built in 2001. The property is subject to a lease that commenced in 2001 that was recently renewed for another 10 years at a rate \$11.41 per square foot, on a triple net basis with escalations every five years. The current lease extension expires in February of 2029.



VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

RETAIL RENT COMPARABLE 2



Property Identification

Property/Rent ID	10927973/453221
Property Type	Free Standing Building
Property Name	Pick n' Save
Address	2538 Ironwood Drive
City, State Zip	Sun Prairie, Wisconsin 53590
County	Dane
MSA	Madison
Latitude/Longitude	43.186122/-89.262021
Tax ID	0810-013-2501-2

Transaction Data

Lessee	Pick N Save	Renewal Detail	4 Five Year Options
Tenant SF	59,500	Concessions/SF	\$0.00
Entire Bldg Lease	No	Concessions Detail	None
Lease Status	Executed	Rent Escalation	10% every 5 years
Lease Signed	12-01-2017	Property Occupancy	100.0%
Commencement	01-01-2018		
Expiration	12-31-2027		
Term (mos.)	120		
Lease Type	Triple Net		
Expense Stop	No		
Renewal Options	Yes		

Rental Rates

Initial Rent/SF	\$12.88
Current Rent/SF	\$12.88
Effective Rent/SF	\$12.88

Property Description

Gross Building SF	61,048	Occupancy Type	Tenant occupied
Net Rentable SF	61,048	Building Quality	Average
Year Built	2008	Building Condition	Good
Investment Class	C	Stories	1
Tenancy	Single-Tenant	Sprinklers	Wet system



VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

Parking Spaces 334
Pkg/1,000 SF GBA 5.47
Pkg/1,000 SF NRA 5.47
Gross Acres 8.37000
Usable Acres 8.36999

Flr. Area Ratio (FAR) 0.17
Land to Bldg Ratio 5.97
Access Average
Visibility Good
Corner/Interior Corner

Verification

Confirmed With CoStar and Broker
Confirmed By Valbridge Property Advisors | Chicago
Confirmation Date 11-08-2019

Remarks

This comparable represents the lease of a freestanding Pick 'n Save grocery store located at 2538 Ironwood Dr, Sun Prairie, Wisconsin. The building is located within the Prairie Center shopping plaza that features several other outlot buildings. The 59,500-square foot building is situated along the corner of Windsor Street and N. Grand Avenue on a 8.37-acre site and was built in 2008. The property is subject to a 10-year lease that commenced in January of 2018 at a rate \$12.88 per square foot, on a triple net basis with escalations every five years. The current lease extension expires in December 31, 2027.



VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

RETAIL RENT COMPARABLE 3



Property Identification

Property/Rent ID	10999982/453171
Property Type	Free Standing Building
Property Name	Festival Foods - The Shoppes at Hale Drive
Address	123 Hale Dr
City, State Zip	Holmen, Wisconsin 54636
County	La Crosse
MSA	La Crosse, WI-MN
Latitude/Longitude	43.952982/-91.257855

Transaction Data

Lessee	Festival Foods	Renewal Detail	3 Five Year Options
Suite No.	100	Concessions/SF	\$0.00
Tenant SF	75,000	Concessions Detail	None
Entire Bldg Lease	Yes	%/Overage Clause	No
Lease Status	Executed	Rent Escalation	5% every 5 years
Lease Signed	10-01-2017	Property Occupancy	100.0%
Commencement	10-01-2017		
Expiration	09-30-2032		
Term (mos.)	180		
Lease Type	Triple Net		
Expense Stop	No		
Renewal Options	Yes		

Rental Rates

Initial Rent/SF	\$14.48
Current Rent/SF	\$14.48
Effective Rent/SF	\$14.48

Property Description

Gross Building SF	85,200	Occupancy Type	Tenant occupied
Net Rentable SF	85,200	Building Quality	Good
Year Built	2017	Building Condition	Good
Investment Class	C	Stories	1
Tenancy	Multi-Tenant	Sprinklers	Wet system



VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

Parking Spaces 300
Pkg/1,000 SF GBA 3.52
Pkg/1,000 SF NRA 3.52
Gross Acres 9.13000
Usable Acres 9.13000

Flr. Area Ratio (FAR) 0.21
Land to Bldg Ratio 4.67
Access Average
Visibility Average
Corner/Interior Interior

Verification

Confirmed With CoStar and Public Records
Confirmed By Valbridge Property Advisors | Chicago
Confirmation Date 11-08-2019

Remarks

This comparable represents the sale of a freestanding Festival Foods grocery store located at 123 Hale Drive in Holmen, La Crosse County, Wisconsin. The 75,000-square foot building is situated on a 9.13-acre site and was built in 2017. The property is subject to a lease that commenced in October 2017 for a term of 15 years, with three 5-year renewal options. Base rent was \$14.48 per square foot, on a triple net basis, with five percent escalations at each five-year period, including option terms. The center is known as the Shoppes at Hale Drive that includes this grocery store and a 10,200-square foot strip center.



VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

RETAIL RENT COMPARABLE 4



Subject Property

Property Identification

Property/Rent ID	11000012/453187
Property Type	Free Standing Building
Property Name	Fresh Thyme Farmers Market
Address	N89W16849 Appleton Ave
City, State Zip	Menomonee Falls, Wisconsin 53051
County	Waukesha
MSA	Milwaukee-Waukesha
Latitude/Longitude	43.179995/-88.119790
Tax ID	MNFV-0011-065-006

Transaction Data

Lessee	Fresh Thyme	Renewal Options	Yes
Tenant SF	29,050	Concessions/SF	\$0.00
Entire Bldg Lease	Yes	Concessions Detail	None
Lease Status	Executed	Rent Escalation	7% every 5 years
Lease Signed	12-12-2016	Property Occupancy	100.0%
Commencement	05-17-2017		
Expiration	05-16-2032		
Term (mos.)	180		
Lease Type	Triple Net		
Expense Stop	No		

Rental Rates

Initial Rent/SF	\$14.00
Current Rent/SF	\$14.00
Effective Rent/SF	\$14.00

Property Description

Gross Building SF	29,050	Building Quality	Good
Net Rentable SF	29,050	Building Condition	Good
Year Built	2017	Stories	1
Investment Class	C	Sprinklers	Wet system
Tenancy	Single-Tenant	Parking Spaces	160
Occupancy Type	Tenant occupied	Pkg/1,000 SF GBA	5.51



VACANT GROCERY STORE
INCOME CAPITALIZATION APPROACH

Pkg/1,000 SF NRA 5.51
Gross Acres 3.89000
Usable Acres 3.89000
Flr. Area Ratio (FAR) 0.17

Land to Bldg Ratio 5.83
Access Good
Visibility Good
Corner/Interior Corner

Verification

Confirmed With CoStar and Broker
Confirmed By Valbridge Property Advisors | Chicago
Confirmation Date 11-08-2019

Remarks

This is the lease of a newly constructed (2017), 100% occupied grocery store with 29,050 of rentable square feet. It sits as an end cap to a 58,010-sf center with Planet Fitness as the other co-anchor. The site itself offers good visibility and frontage along Appleton Avenue (16,800 VPD) and is located in a strong Milwaukee Suburb only 14 miles northwest of Milwaukee's CBD. The lease is with Lakes Venture, LLC which is Fresh Thyme's corporate entity with over 75 locations. The original lease term is for 15 years and there is approximately 13 years of term remaining with rent increases of \$1.00/sf (+/- 7.00%) every 5 years. The lease has a corporate guarantee and the base lease term is scheduled to expire in Mach 2032. The shopping center is managed by the neighboring owner, so there is minimal Landlord responsibility.



Market Rent Analysis

When necessary, adjustments were made for differences in the various elements of comparison, including lease structure, market conditions, location, size and other relevant factors. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment is applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: expense structure, concessions, tenant improvement allowances and conditions of lease. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Expense Structure

The market rent estimate is based on a triple net lease structure. As the rent comparables exhibited rental rates negotiated on the same basis, no expense structure adjustments were warranted.

Rental Concessions

No rent comparables were reporting rental concessions upon the date of value. Therefore, no adjustments due to rental concessions were required.

Rental 1: no adjustment was warranted.

Rental 2: no adjustment was warranted.

Rental 3: no adjustment was warranted.

Rental 4: no adjustment was warranted.

Tenant Improvement Allowances

The rent comparables do not include any leases with over-base-level tenant improvement allowances. Therefore, no tenant improvement allowance adjustments were required.

Rental 1: no adjustment was warranted.

Rental 2: no adjustment was warranted.

Rental 3: no adjustment was warranted.

Rental 4: no adjustment was warranted.

Conditions of Lease

No atypical conditions of lease were noted and the for-lease listing rates were reported as representative of consummated market transactions.

Rental 1: no adjustment was warranted.

Rental 2: no adjustment was warranted.

Rental 3: no adjustment was warranted.

Rental 4: no adjustment was warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable rent transactions consummated during periods of dissimilar market conditions.



Discussions with market participants and a review of market data indicated overall market conditions for retail properties have been improving with recent leases confirming this trend. As such, we applied an adjustment to each comparable based on a factor of 1.00% per year.

Property Adjustments

Property Adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect differences in rental rates attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. Property adjustments are based on locational and physical characteristics and are made after the application of transaction and market conditions adjustments.

Our reasoning for the adjustments made, which were based on our market research, best judgement, and experience in the appraisal of similar properties, is discussed below:

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner versus interior lot location, neighboring properties, view amenities, and other factors.

The subject property has average access and good visibility.

- Rental 1: no adjustment was warranted.
- Rental 2: a downward adjustment of 10.0% was warranted.
- Rental 3: no adjustment was warranted.
- Rental 4: a downward adjustment of 10.0% was warranted.

Tenant Space Size

The size adjustment addresses variance in the rentable area of the comparables and that of the subject, as larger lease space typically commands a lower rental rate per unit than does a smaller space. This inverse relationship is due, in part, to the principle of "economies of scale."

- Rental 1: an upward adjustment of 10.0% was warranted.
- Rental 2: an upward adjustment of 10.0% was warranted.
- Rental 3: an upward adjustment of 10.0% was warranted.
- Rental 4: no adjustment was warranted.

Age/Condition

The subject property was built in 2015 and, as of the date of value, was in good condition, with an effective age of 4 years. The subject property and the comparables are generally in similar condition, but feature effective ages from 1 to 10 years.

- Rental 1: an upward adjustment of 5.0% was warranted.
- Rental 2: no adjustment was warranted.
- Rental 3: a downward adjustment of 10.0% was warranted.
- Rental 4: a downward adjustment of 10.0% was warranted.

Construction Quality

The subject property consists of good quality masonry construction.



Rental 1 consists of good class c - masonry quality with no adjustment warranted.

Rental 2 consists of average class c - masonry quality with no adjustment warranted.

Rental 3 consists of good class c - masonry quality with no adjustment warranted.

Rental 4 consists of good class c - masonry quality with no adjustment warranted.

Design/Functional Utility

Rental 1: a downward adjustment of 10.0% was warranted.

Rental 2: a downward adjustment of 10.0% was warranted.

Rental 3: no adjustment was warranted.

Rental 4: no adjustment was warranted.

Land-to-Building Ratio

The subject property has a usable land-to-building ratio of 4.25-to-1.

Rental 1: a downward adjustment of 10.0% was warranted.

Rental 2: a downward adjustment of 5.0% was warranted.

Rental 3: no adjustment was warranted.

Rental 4: a downward adjustment of 5.0% was warranted.

Non-Realty Components

Non-realty components of value include tangible items, equipment, and business concerns that do not constitute real property but are included in the rental rate. Furniture, fixtures, and equipment are typical examples of items that may be included in a comparable lease transaction. If a lease transaction included the use of any non-realty components of value, adjustments were made to reflect the contributory value. For purposes of this analysis, the subject would be leased with FF&E included in the rental rate, therefore, adjustments were required.

Rental 1: an upward adjustment of 10.0% was warranted.

Rental 2: an upward adjustment of 10.0% was warranted.

Rental 3: an upward adjustment of 10.0% was warranted.

Rental 4: an upward adjustment of 10.0% was warranted.

Summary of Adjustments

Presented below is a summary of the adjustments made to the rent comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.



RENT COMPARABLE ADJUSTMENT GRID

		Rental # 1	Rental # 2	Rental # 3	Rental # 4
Comparable ID		453192	453221	453171	453187
Date of Value & Survey/Lease Date	May-20	March-19	January-18	October-17	May-17
Property Name	Vacant Grocery Store	Pick'n Save	Pick n' Save	Festival Foods - The Shoppes at Hale Drive	Fresh Thyme Farmers Market
Net Rentable Area	36,500 sf	67,951 sf	61,048 sf	85,200 sf	29,050 sf
Land Area (acres)	3.560	9.66	8.36999	9.13	3.89
Annual Rental Rate		\$11.41	\$12.88	\$14.48	\$14.00
Transactional Adjustments					
Expense Structure	<i>Triple Net Annual Expenses (PSF)</i>	<i>Triple Net</i>	<i>Triple Net</i>	<i>Triple Net</i>	<i>Triple Net</i>
		\$0.00	\$0.00	\$0.00	\$0.00
Rent Concessions		<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Tenant Imp. Allowance - Over Base Amount					
Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Net Lease Structure Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Effective Rental Rate		\$11.41	\$12.88	\$14.48	\$14.00
Conditions of Lease		<i>Renewal</i>	<i>Executed</i>	<i>Executed</i>	<i>Executed</i>
Adjustment		\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Rental Rate		\$11.41	\$12.88	\$14.48	\$14.00
Market Conditions Adjustments					
Elapsed Time from Date of Value		<i>1.17 years</i>	<i>2.33 years</i>	<i>2.58 years</i>	<i>2.96 years</i>
Market Trend Through	May-20	1.2%	2.3%	2.6%	3.0%
Analyzed Rental Rate		\$11.54	\$13.18	\$14.85	\$14.41
Property Adjustments					
Location	<i>150 Commerce Dr Columbus, Wisconsin</i>	<i>205 Central Bridge St Wausau, Wisconsin</i>	<i>2538 Ironwood Drive Sun Prairie, Wisconsin</i>	<i>123 Hale Dr Holmen, Wisconsin</i>	<i>N89W16849 Appleton Ave Menomonee Falls, Wisconsin</i>
Adjustment		-	-10.0%	-	-10.0%
Tenant Space Size	<i>36,300 sf</i>	<i>67,951 sf</i>	<i>59,500 sf</i>	<i>75,000 sf</i>	<i>29,050 sf</i>
Adjustment		10.0%	10.0%	10.0%	-
Age/Condition	<i>Year Built 2015</i>	<i>2001</i>	<i>2008</i>	<i>2017</i>	<i>2017</i>
Condition	<i>Good</i>	<i>Good</i>	<i>Good</i>	<i>Good</i>	<i>Good</i>
Effective Age	<i>4 years</i>	<i>10 years</i>	<i>5 years</i>	<i>1 years</i>	<i>1 years</i>
Adjustment		5.0%	-	-10.0%	-10.0%
Construction Quality	<i>Good Class C - Masonry</i>	<i>Good Class C - Masonry</i>	<i>Average Class C - Masonry</i>	<i>Good Class C - Masonry</i>	<i>Good Class C - Masonry</i>
Adjustment		-	-	-	-
Design/Functional Utility	<i>Average</i>	<i>Above Average</i>	<i>Above Average</i>	<i>Average</i>	<i>Average</i>
Adjustment		-10.0%	-10.0%	-	-
Land-to-Building Ratio	<i>4.25-to-1</i>	<i>6.19-to-1</i>	<i>5.97-to-1</i>	<i>4.67-to-1</i>	<i>5.83-to-1</i>
Adjustment		-10.0%	-5.0%	-	-5.0%
Non-Realty Components	<i>Yes</i>	<i>No FF&E</i>	<i>No FF&E</i>	<i>No FF&E</i>	<i>No FF&E</i>
Adjustment		10.0%	10.0%	10.0%	10.0%
Net Physical Adjustment		5.0%	-5.0%	10.0%	-15.0%
Adjusted Annual Rental Rate		\$12.12	\$12.52	\$16.34	\$12.25



Conclusions

From the market data available, we used four rent comparables, which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted rental rates:

Rent Comparable Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Rental Rate	\$11.41	\$11.54	\$12.12
Maximum Rental Rate	\$14.48	\$14.85	\$16.34
Median Rental Rate	\$13.44	\$13.80	\$12.39
Mean Rental Rate	\$13.19	\$13.50	\$13.31

The most comparable rents were rentals 1, 2 and 3, as they were the most recent leases with the fewest amount of adjustments. The adjusted rental rates for these comparables ranged from \$12.12 to \$16.34 per square foot, with an average of \$13.66 per square foot and a median of \$12.52 per square foot.

Therefore, based on the preceding analysis, a market based triple net rental rate near the lower-end of the range, or \$13.00 per square foot, including FF&E, is estimated for the subject property.

As was discussed in the Highest and Best Use section, utilizing a revised projected sales of \$125,000 to \$150,000 per week, upon stabilization, and a total cost of occupancy at 6%, the net rent would be approximately \$10.00 to \$12.00 per square foot with \$2.50 in amortized FF&E value given the depreciated value of the existing personal property, indicating a net rent of approximately \$12.50 to \$14.50 per square foot, NNN including FF&E. Therefore, the concluded market rent of \$13.00 per square foot, including FF&E, falls directly in-line with the cost occupancy analysis.

Income Analysis

The income analysis encompasses a review of the existing subject leases (if any) and comparison to market rent levels as established in the preceding analysis, as well as additional income sources, expense recoveries, and rent escalations. The sum of all income develops potential gross income (PGI).

As noted throughout this report, the subject property is currently vacant and not subject to any lease agreement. Therefore, we have utilized the rent comparables detailed above to estimate a market rent for the subject property.

Vacancy/Collection Loss

Net lease properties remain in demand with investors. While such properties may pose some vacancy risk, most investors and analysts do not use a vacancy factor in the purchase decision. Following this standard, we did not deduct a vacancy or collection loss line item, with the risk of vacancy inherent in the concluded overall capitalization rate. Support for the overall capitalization rate was derived from market data and published investor surveys. The comparable sales used in this report also follow this standard.



Expense Analysis

The subject is currently vacant and no historical data was available for analysis. The expenses were estimated based on our market research, best judgement, and experience in the appraisal of similar properties. Expenses have minimal impact on the value of net lease properties, as the tenant pays all property expenses directly.

Please note that it is not uncommon to have limited historical data available for net lease properties, as the tenant pays all property expenses directly. Furthermore, all rent comparables analyzed are leased on a similar net lease basis, where the tenant is responsible for all expenses except structural maintenance. Therefore, any risk of expenses is inherent in the concluded overall capitalization rate. All listings and recent sales of comparable properties similar to the subject were marketed with little to no expenses. As such, we did not deduct any expenses from the income stream.

Net Operating Income (NOI)

Net operating income consists of the income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service and other non-periodic leasing and capital expenditures. The stabilized net operating income calculation is presented in the following table:

Stabilized Net Operating Income Schedule

Category	NRA		Per Sq. Ft.		Total	% of EGI
Potential Rental Income						
Grocery Store	36,500 sf	x	\$13.00	=	\$474,500	100.0%
Total Potential Rental Income	36,500 sf	x	\$13.00	=	\$474,500	100.0%
Potential Gross Income (PGI)			\$13.00		\$474,500	100.0%
Less: Vacancy & Collection Loss	@	0.0%	\$0.00		\$0	0.0%
Effective Gross Income (EGI)			\$13.00		\$474,500	100.0%
Less: Total Operating Expenses			\$0.00		\$0	0.0%
Stabilized Net Operating Income (NOI)			\$13.00		\$474,500	100.0%

Overall Capitalization Rate (OAR)

Market comparables and investor surveys were utilized to conclude an appropriate overall capitalization rate for the subject.

Market

Overall capitalization rates for comparable sales are presented in the following table:

Market Overall Capitalization Rate (OAR) Comparables

Comp.		Property			Year	Occupancy at	Actual	Remaining
No.	Date of Sale	Name	Location		Built	Time of Sale	OAR	Lease Term
1	July-19	Pick 'n Save	36903 E Wisconsin Ave	Oconomowoc, Wisconsin	2008	100.0%	6.75%	10.4 Years
2	July-18	Shopko	406 Gateway Ave	Mauston, Wisconsin	2015	100.0%	10.09%	12.3 Years
3	March-18	Pick 'n Save - Highland Ridge	301 Falls Rd	Grafton, Wisconsin	2008	100.0%	7.64%	11.8 Years
4	July-17	Tractor Supply	1911 Market Way	Watertown, Wisconsin	2005	100.0%	7.32%	3.5 Years
						Average:	7.95%	



Investor Surveys

The following table highlights various overall capitalization rates published by the investor surveys:

Investor Surveys - Overall Capitalization Rates

Survey	Date	Rate Range			Average
PWC Real Estate Survey - Net Lease Market	Q3 2019	5.00%	to	8.50%	6.50%
The Boulder Group - Retail Net Lease Market	Q3 2019		to		6.21%
The Boulder Group - Big Box Net Lease Market	Q4 2018		to		7.04%
RealtyRates.com - Freestanding Retail	Q3 2019	5.00%	to	13.53%	10.16%
The Boulder Group - Junior Big Box Net Lease Market	Q4 2018		to		7.02%
The Boulder Group - Big Box Net Lease Market - Midwest	Q4 2018		to		7.40%
PWC Real Estate Survey - Net Lease Market	Q2 2019	5.00%	to	8.50%	6.60%
The Boulder Group - Retail Net Lease Market	Q2 2019		to		6.23%
The Boulder Group - Big Box Net Lease Market	Q4 2017		to		6.75%
RealtyRates.com - Freestanding Retail	Q2 2019	5.09%	to	13.72%	10.37%
Average		5.02%	to	11.06%	7.43%

The overall capitalization rate indications are as follows:

- Market Extracted Range: 6.75% to 8.00%
- Investors Survey Range: 7.00% to 8.00%

Overall Capitalization Rate Conclusion

Based on the data and analysis presented above, the following factors were considered:

- The remaining lease term for the subject property, upon stabilization, exceeds 15 years.
- In this market, tenants have multiple options to renew the lease.
- The market rental rates for this property type have periodic increases.
- There is only one other grocer within the Columbus market.
- The grocery store market nationwide has experienced continued growth over the past 5 years and is expected to experience another 1% annual growth in revenue over the next five years.
- Within a three-mile radius, demand far exceeds supply for this industry group indicating a positive retail leakage.

Considering the data presented, we concluded an overall capitalization rate of 7.50%.

Lease-Up Discount

The preliminary value conclusion is based on operations at stabilized occupancy. However, the subject property is currently vacant. Therefore, a lease-up discount was necessary to reflect the prospective upon stabilization leased fee market value indication. Given the single tenant nature of the property, to achieve stabilized occupancy, the entire 36,500 square feet must be absorbed.

Given the location, physical characteristics of the subject property and current market conditions, it is not reasonable to assume the subject property would capture substantially more than its fair share of absorption. The market data reviewed provides limited support for an orderly absorption and our observations indicate absorption to be positive in recent quarters. Based on the performance of the subject property's submarket, a lease-up period of 6 months was projected and is reflected in the calculations below. As the subject is in good condition with an in-place FF&E package, the lease up



period is expected to be abbreviated upon aggressive marketing and sufficient offering of lease concessions as described herein.

Market rent and any reimbursable expenses were applied to the vacant space to derive the income lost during lease-up. The market tenant improvement allowance, standard commission rates and free rent were used as part of the calculation. Finally, an appropriate degree of entrepreneurial incentive was added. As presented in the following table, the calculations resulted in a lease-up adjustment of \$2,230,000.

Lease-Up Adjustment

Component	Percent / Unit		Amount
Net Rentable Area	100.0%		36,500 sf
Stabilized Vacancy	0.0%		0 sf
Actual Vacancy	100.0%		36,500 sf
Leasing Required to Stabilize	100.0%		36,500 sf
Lease-Up Period			6 months
Income Loss			
Market Rent	\$13.00 psf		\$474,500
Reimbursable Expenses	\$0.00 psf		\$0
Potential Annual Loss	\$13.00 psf		\$474,500
Potential Loss over Lease-Up Period	6 months		\$237,250
Average Loss Factor - Stronger Finish Absorption			100.0%
Estimated Income Loss over Lease-Up Period			\$237,250
Leasing Costs			
Tenant Improvement Costs	Allowance	NRA	
1st Generation Space	\$0.00 psf		\$0
2nd Generation Space	\$10.00 psf	36,500 sf	\$365,000
Total	\$10.00 psf	36,500 sf	\$365,000
Leasing Commissions	Term	Rate	
	20 years	5.0%	\$474,500
Total Leasing Costs			\$839,500
Free Rent		24 months	\$949,000
Total Lost Income, Leasing Costs and Free Rent			\$2,025,750
Entrepreneurial Incentive		10.0%	\$202,575
Calculated Lease-Up Adjustment			\$2,230,000

Direct Capitalization Conclusions

The direct capitalization calculation is presented as follows:



Direct Capitalization Technique Value Indications

Stabilized Net Operating Income (NOI)		\$474,500
Divided by Overall Capitalization Rate	÷	7.50%
Preliminary Prospective Upon Stabilization Leased Fee Value Indication		\$6,326,667
Prospective Upon Stabilization Leased Fee Market Value Indication		\$6,330,000
Less Lease-Up Discount:		\$2,230,000
As Is Fee Simple Market Value Indication		\$4,100,000



Reconciliation

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications

Approach to Value	As Is	Prospective Upon Stabilization
Land Only - Sales Comparison	\$310,000	
Cost	\$3,860,000	\$6,090,000
Sales Comparison	\$3,790,000	\$6,020,000
Income Capitalization		
Direct Capitalization	\$4,100,000	\$6,330,000

Value Conclusions

Component	As Is	Prospective Upon Stabilization
Value Type	Market Value	Market Value
Property Rights Appraised	Fee Simple	Leased Fee
Effective Date of Value	October 21, 2019	May 1, 2020
Value Conclusion	\$4,000,000	\$6,300,000
	\$109.59 psf	\$172.60 psf

To reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, we gave this approach primary weight in arriving at our final value conclusions. Furthermore, retail properties such as the subject property are typically purchased by a local investor/owner-users, who primarily rely upon the methods employed by the Sales Comparison Approach.

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- This appraisal is predicated on the extraordinary assumption that hazardous substances do not exist at the subject property. The appraiser, however, is not qualified to detect such substances, including the existence of urea-formaldehyde insulation, radon gas, foam and asbestos insulation, lead paint or other potentially hazardous material that may affect the value of the property. Additionally, no soil survey has been furnished, and it is assumed that no surface or subsurface contaminants are present. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.
- It is assumed that the information provided to us by the owner and city/county officials is accurate. Any deviation from how this information was represented to us could result in a



change in opinion of value. More specifically, we were provided with a former lease agreement that reported the gross building area of the property to be 36,500-square feet. However, according to county property records, the gross building area was reported to be 38,905-square feet. After conducting a rough measurement via aerial GIS software, the building area reported on the lease appears to be the most accurate figure. Therefore, for purposes of this analysis, we have relied on the 36,500-square figure reported by the lease document.

- The appraiser was not supplied a legal description or survey of the subject property. This appraisal is contingent on the subject site(s) being the size, shape, and dimensions as indicated in this report.
- If any information arise that contradicts the extraordinary assumptions stated above, we reserve the right to re-enter this document and make any changes to the conclusion determined herein that we deem necessary. The use of these extraordinary assumptions may have affected the assignment results.

Hypothetical Conditions:

- We have appraised the property as 'stabilized' as described in this report as of the date of value.

Exposure Time and Marketing Periods

After analyzing the comparable sales utilized in this report, the marketing periods for three properties ranged from 6.1 to 8.77 months with an average of 7.06 months, for stabilized properties.

Furthermore, the marketing time for the Net Lease market according to the PwC Real Estate Investor Survey report ranged from 1 to 12 months with an average of 5.2 months in the 3rd quarter of 2019.

Therefore, based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 9 to 12 months and 9 to 12 months, respectively, are considered reasonable and appropriate for the subject property on an "as is" basis. The marketing and exposure time has been estimated beyond the time period of a stabilized property due to the vacant nature of the real estate and the longer time period it will take to find a buyer in its current condition.



General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Chicago will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Chicago is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.



12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Chicago and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Chicago.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.



22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.



28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.



35. You and Valbridge Property Advisors | Chicago both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Chicago and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Chicago or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Chicago for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Chicago shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Chicago. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Chicago and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Chicago harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Chicago in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Valbridge Property Advisors - Chicago Metro. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.



Certification – Gary K. DeClark, MAI, CRE, FRICS, R/W-AC

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Gary K. DeClark has personally inspected the subject property.
10. Anthony S. Mulé, MAI has provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in black ink, appearing to read 'Gary K. DeClark', written in a cursive style.

Gary K. DeClark, MAI, CRE, FRICS, R/W-AC
Senior Managing Director and Principal
Wisconsin License 261-10
gdeclark@valbridge.com



Addenda

Subject Photos

Property Data

FF&E Package – Cost New

Glossary

Qualifications

- Gary K. DeClark, MAI, CRE, FRICS, R/W-AC - Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

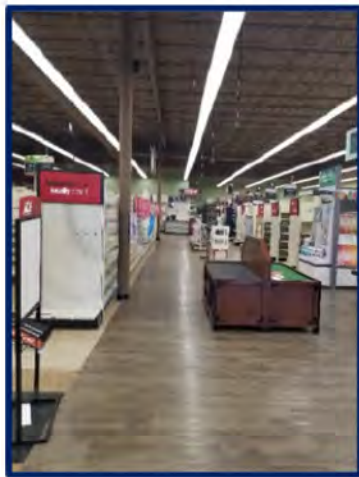
Subject Photographs



View of the cashier area of the subject property



Interior view of the grocery store



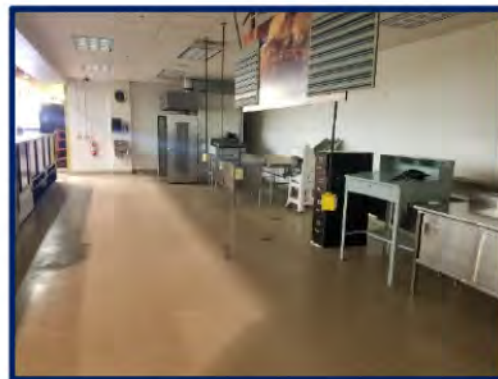
Alternative interior view of the grocery store



Alternative interior view of the grocery store



View of the bakery



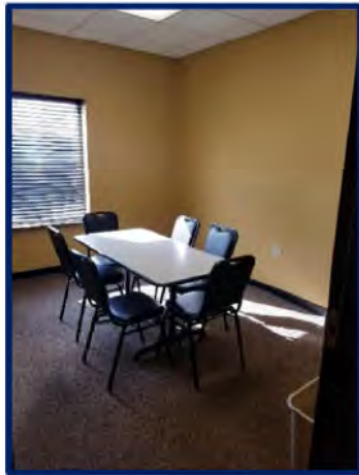
View of the rear portion of the store



View of the Dairy section



Interior view of the grocery store



View of office space



View of front vestibule/cart storage area



View of a walk-in cooler



View of the rear portion of the store



View of the rear loading dock area



Alternative exterior view of the front elevation



Alternative exterior view of the rear elevation



Exterior view of the front elevation of the subject, including the neighboring Shopko



View facing northwest along Commerce Drive



View facing southwest along WI-60 (subject is located to the left)



VACANT GROCERY STORE
ADDENDA

Property Data

10/28/2019

Real Estate Tax Parcel

Columbia County
Ascent Land Records Suite

Access Type: **Public** Choose Category: **Real estate property & tax** What do you want to do? **Tax Bills** Help: ?

[Browser Setup Help](#)

[Return to search results](#)

[Property Summary](#)

Owner (s): CCC Lot 2 LLC		Location: NW-SE, Sect. 11, T10N, R12E NE-SW, Sect. 11, T10N, R12E	
Mailing Address: CCC Lot 2 LLC c/o Richter Realty & Investment Inc 18650 W Corporate Drive #103 Brookfield, WI 53045 Request Mailing Address Change		School District: 1183 - Columbus School District	
Tax Parcel ID Number: 1512.02	Tax District: 11211-City of Columbus	Status: Active	
Alternate Tax Parcel Number:		Acres: 3.56	

Description - Comments (Please see Documents tab below for related documents. For a complete legal description, see recorded document.):

Lot 2, Columbus Commerce Center

Site Address (es): (Site address may not be verified and could be incorrect. DO NOT use the site address in lieu of legal description.)

100 Commerce Dr Columbus, WI 53925
150 Commerce Dr Columbus, WI 53925

Select Detail -->

Taxes

[Make Default Detail](#)

[Printer Friendly Page](#)

[View Interactive Map](#)

0 Lottery credits claimed

Print tax bills: 2018 2017 2016 2015 2014

Tax History

* Click on a Tax Year for detailed payment information.

Tax Year*	Tax Bill	Taxes Paid	Taxes Due	Interest	Penalty	Total Payoff
2018	\$63,189.04	\$63,189.04	\$0.00	\$0.00	\$0.00	\$0.00
2017	\$62,832.99	\$62,832.99	\$0.00	\$0.00	\$0.00	\$0.00
2016	\$66,801.11	\$66,801.11	\$0.00	\$0.00	\$0.00	\$0.00
2015	\$48,041.09	\$48,041.09	\$0.00	\$0.00	\$0.00	\$0.00
2014	\$4,677.63	\$4,677.63	\$0.00	\$0.00	\$0.00	\$0.00
Total						\$0.00

If your taxes are 3 years or more delinquent, please contact the Treasurer's Office for additional fees due. (608) 742-9613.

NOTE: Current year tax bills may not be processed by the county.

Interest and penalty on delinquent taxes are calculated to October 31, 2019.

[Pay Taxes](#)

Payoff Month:

October

Payoff Year:

2019

[Submit](#)

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VACANT GROCERY STORE
ADDENDA**2018 Property Record | Columbia County, WI**Assessed values not finalized until after Board of Review
Property information is valid as of 10/28/2019 10:26:31 AM

Owner Address CCC Lot 2 LLC 18650 W Corporate Drive #103 Brookfield, WI 53045		Owner CCC Lot 2 LLC																																												
Property Information Parcel ID: 11211-1512.02 Document #: 864582 Tax Districts: Columbus School District City of Columbus Tax-Increment District #003 Columbus Fire Supervisory District 20: Voting Ward 8 Lifestar		Property Description For a complete legal description, see recorded document. Lot 2, Columbus Commerce Center Municipality: 11211-City of Columbus Property Address: 100 Commerce Dr 150 Commerce Dr																																												
Tax Information Print Tax Bill		Land Valuation																																												
<table border="1"> <thead> <tr> <th>Installment</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>First:</td> <td>31,594.53</td> </tr> <tr> <td>Second:</td> <td>31,594.51</td> </tr> <tr> <td>Third:</td> <td>0.00</td> </tr> <tr> <td>Total Tax Due:</td> <td>63,189.04</td> </tr> <tr> <td>Base Tax:</td> <td>63,252.49</td> </tr> <tr> <td>Special Assessment:</td> <td>0.00</td> </tr> <tr> <td>Lottery Credit:</td> <td>0.00</td> </tr> <tr> <td>First Dollar Credit:</td> <td>63.45</td> </tr> <tr> <td>Amount Paid:</td> <td>63,189.04</td> </tr> <tr> <td colspan="2">(View payment history info below)</td> </tr> <tr> <td>Current Balance Due:</td> <td>0.00</td> </tr> <tr> <td>Interest:</td> <td>0.00</td> </tr> <tr> <td>Total Due:</td> <td>0.00</td> </tr> </tbody> </table>		Installment	Amount	First:	31,594.53	Second:	31,594.51	Third:	0.00	Total Tax Due:	63,189.04	Base Tax:	63,252.49	Special Assessment:	0.00	Lottery Credit:	0.00	First Dollar Credit:	63.45	Amount Paid:	63,189.04	(View payment history info below)		Current Balance Due:	0.00	Interest:	0.00	Total Due:	0.00	<table border="1"> <thead> <tr> <th>Code</th> <th>Acres</th> <th>Land</th> <th>Impr.</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>3.56</td> <td>\$184,700</td> <td>\$2,704,400</td> <td>\$2,889,100</td> </tr> <tr> <td></td> <td>3.56</td> <td>\$184,700</td> <td>\$2,704,400</td> <td>\$2,889,100</td> </tr> </tbody> </table>		Code	Acres	Land	Impr.	Total	2	3.56	\$184,700	\$2,704,400	\$2,889,100		3.56	\$184,700	\$2,704,400	\$2,889,100
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	3.56	\$184,700	\$2,704,400	\$2,889,100																																										
		Assessment Ratio: 0.9624511810 Fair Market Value: 3001800.00																																												
Payment History																																														
Date	Receipt	Amount	Interest	Penalty	Total																																									
7/17/2019	232281	63189.04	3791.34	1895.67	68876.05																																									

*No data found for Special Assessment Detail, Delinquent Tax Summary in 2018



VACANT GROCERY STORE
ADDENDA

11/11/2019

Welcome AssessorData

AssessorData



Tax Key Number: 11211 1512.02

Property address:

150 Commerce Dr
City of Columbus, WI

Abbreviated legal description:

Lot 2, Columbus Commerce Center

Acres (county records): 0

Building 1 description:

Sentry Foods/Ace Hardware

Size: 38,905 sq feet

Year built: 2014

Additional structures: 1

Date of last building permit: 5/12/2015

Last sale date: 10/30/2014

Total assessed value of land: \$184,700

Total assessed value of buildings: \$2,704,400

Assessment year: 2017

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www.assessordata.org/Assessment?county=Columbia&taxkey=112111512.02

1/1

VACANT GROCERY STORE
ADDENDA

FF&E Package – Cost New

Project #: 8968
Project Name: Columbus Sentry / Ace
Street Address: Lot 2, Commerce Center
City: Columbus
State: Wisconsin



Equipment Budget to Actual							
EQ #	DESCRIPTION	P.O. #	Budget	P.O. Amount	Remaining Balance	Actual Invoiced	Serial #
Cases - Refrigerated and Dry (C)							
C1	5 Doors Medium Temp Produce	15790	\$7,756.46	\$7,756.46	\$0.00	\$7,756.46	1110222NA
C2	12' 3 Deck Low Profile Produce	15789	\$6,220.28	\$6,220.28	\$0.00	\$6,220.28	01297281
C3	32' 3 Deck Low Profile Produce	15789 + c/o	\$5,934.03	\$5,934.03	\$0.00	\$5,934.03	01297282, 01297298, 01297299
C4	12' 3 Deck Low Profile Produce	15789	\$5,934.03	\$5,934.03	\$0.00	\$5,934.03	01297300
C5	8' 3 Deck Low Profile Produce	15789	\$4,555.46	\$4,555.46	\$0.00	\$4,555.46	01297318
C6	5 door frozen cakes	15789	\$7,785.34	\$7,785.34	\$0.00	\$7,785.34	01297755
C7	74" Dorit case	15789	\$4,964.00	\$4,964.00	\$0.00	\$4,964.00	0290309LR274565
C8	74" Dry Bakery case	15789	\$4,964.00	\$4,964.00	\$0.00	\$4,964.00	0290309LR274567
C9	4' Refrigerated bakery	15789	\$5,182.00	\$5,182.00	\$0.00	\$5,182.00	0290374LR274550
C10	8' Grab n Go	15789	\$4,753.99	\$4,753.99	\$0.00	\$4,753.99	01297328
C11	6' Service Hot case (w/Start)	15789 + c/o	\$8,410.59	\$8,410.59	\$0.00	\$8,410.59	1521466.00
C12	6' Service Deli	15789	\$9,800.00	\$9,800.00	\$0.00	\$9,800.00	P000129775
C13	12' Service Deli	15789	\$12,900.00	\$12,900.00	\$0.00	\$12,900.00	P000129776
C14	12' Low profile 3 deck fresh meat	15789 + c/o	\$5,834.68	\$5,834.68	\$0.00	\$5,834.68	01297306
C15	10 Doors Medium Temp Smoked Meat	15789	\$16,896.82	\$16,896.82	\$0.09	\$16,896.82	1110223NA, 1110224NA
C16	8 Doors Frozen Meat	15789	\$12,706.76	\$12,706.76	\$0.00	\$12,706.76	01297725, 01297759
C17	ISLA Island Comb Med Temp/Deli Hot food	15787	\$31,000.00	\$31,000.00	\$0.00	\$31,000.00	103091120148608, 103091120148609, 103091120148610, 103091120148611, 103091120148612
C18	32' 3 Deck Low Profile Fresh Meat	15789 + c/o	\$31,335.79	\$31,335.79	\$0.00	\$31,335.79	01, 01297282, 01297285, 01297294, 01297295, 01297296
C19	16' dual temp island meat bunker w/ends	15787	\$18,500.00	\$18,500.00	\$0.00	\$18,500.00	MY14M903962-63, MY14M903958-59
C20	16' dual temp island dairy bunker w/ends	15787	\$18,500.00	\$18,500.00	\$0.00	\$18,500.00	MY14M903964-65, MY14M903960-61
C21	5 Doors Medium temp dairy	15789	\$7,761.43	\$7,761.43	\$0.00	\$7,761.43	1110225NA
C22	12 doors medium temp dairy	15789	\$19,820.04	\$19,820.04	\$0.00	\$19,820.04	1110226NA, 1110227NA, 1110228NA
C23	(4) 2 door frozen end caps	15789	\$17,686.80	\$17,686.80	\$0.00	\$17,686.80	01297726, 01297732, 01297727, 01297728
C24	20 doors frozen foods	15789	\$29,535.24	\$29,535.24	\$0.00	\$29,535.24	01297733, 01297734, 01297735, 01297736
C25	20 doors frozen foods	15789	\$29,535.24	\$29,535.24	\$0.00	\$29,535.24	01297730, 01297731, 01297732, 01297733
C26	20 doors frozen foods	15789	\$28,411.72	\$28,411.72	\$0.06	\$28,411.72	01297734, 01297735, 01297736, 01297737
C27	8 doors beverage	15789	\$12,516.68	\$12,516.68	\$0.00	\$12,516.68	1110226NA, 1110230NA
C28	Ice Machine	by Vendor					
C29	Soda - Self-Serve/Self-Contained	by Vendor					
	Case Shrouds	15789 16493	\$2,800.00	\$1,026.62	\$1,773.38	\$1,026.62	
	Subtotal		\$372,001.53	\$370,228.00	\$1,773.53	\$370,228.00	
Bakery (B)							
B1	(2) Bakery Nesting Tables	16292 + c/o	\$738.00	\$738.00	\$0.00	\$738.00	
B2	Tiered Bakery Display	16287	\$4,033.00	\$2,809.00	\$1,224.00	\$2,809.00	
B3	(2) Hand sinks	16054	\$214.20	\$214.20	\$0.00	\$214.20	
B4	Managers desk	16047	\$155.25	\$155.25	\$0.00	\$155.25	
B5	Proofer	16202	\$5,150.00	\$5,150.00	\$0.00	\$5,150.00	572819
B6	Proofer Install	16203	\$1,550.00	\$1,550.00	\$0.00	\$1,550.00	
B6	Rack Oven - Single	16202	\$15,504.48	\$15,504.48	\$0.00	\$15,504.48	567932
B7	Rack Oven Install	16203 + c/o	\$1,604.48	\$1,604.48	\$0.00	\$1,604.48	
B7	4'x8' Wood top Bakery table	16054	\$1,200.55	\$1,200.55	\$0.00	\$1,200.55	
B8	(2) 72"x30" SS Enclosed prep table	16054	\$1,768.52	\$1,768.52	\$0.00	\$1,768.52	
B9	(2) 72"x30" SS prep table w/ shelf	16054	\$1,160.18	\$1,160.18	\$0.00	\$1,160.18	
B10	(2) Heat N Seal Table Top Hand Wraps	16081	\$597.64	\$597.64	\$0.00	\$597.64	1052515, 1052521
B11	Scale	16083	\$2,325.00	\$2,325.00	\$0.00	\$2,325.00	31-135-3533
B12	(4) 20" x48" Modiflex Shelving (2 Shelves)	16295 + c/o	\$720.00	\$720.00	\$0.00	\$720.00	
B13	(4) 24" x48" Metro Shelf, Chrome, Mobile	16081	\$700.32	\$700.32	\$0.00	\$700.32	
B14	(7) 22"x48" Dunsage Racks	16047	\$478.17	\$478.17	\$0.00	\$478.17	
B15	20 Qt Mixer With Stand	16081 + c/o	\$2,385.88	\$2,385.88	\$0.00	\$2,385.88	7228604
B16	Bread Slicer	16081	\$9,900.00	\$4,900.00	\$4,900.00	\$4,900.00	127780
B17	(5) Oven Racks - Verify Pan sizes	16372	\$1,800.00	\$1,018.83	\$881.17	\$1,018.83	
B21	Oven / Proofer Filter	16351	\$750.00	\$375.00	\$375.00	\$375.00	
	Smallwares		\$10,600.00	\$2,625.57	\$7,974.43	\$2,625.57	
	Subtotal		\$62,435.67	\$47,981.07	\$14,454.60	\$47,981.07	
Deli (D)							
D1	(2) Hand Sinks	16057	\$428.40	\$428.40	\$0.00	\$428.40	
D2	Managers desk	16048	\$155.25	\$155.25	\$0.00	\$155.25	
D3	1 Comp Prep Sink 24" Bowl with 24" RHDB	16657 + c/o	\$705.83	\$705.83	\$0.00	\$705.83	
D4	96"x30" SS Enclosed prep table	16057	\$1,164.61	\$1,164.61	\$0.00	\$1,164.61	
D5	(2) 72"x30" SS Enclosed prep tables NBS	16057	\$1,768.52	\$1,768.52	\$0.00	\$1,768.52	
D6	96"x30" SS prep tables w/ SH	16057	\$613.80	\$613.80	\$0.00	\$613.80	
D7	Comb Oven	16293 + c/o	\$16,943.98	\$16,943.98	\$0.00	\$16,943.98	1518446-000
D8	Range - 6 Burner / 4 grate	16278	\$3,400.00	\$1,923.73	\$1,476.27	\$1,923.73	11296414
D9	(2) Pressure Fryers	16089	\$14,158.50	\$14,158.50	\$0.00	\$14,158.50	32925, 40969
D10	Dump Table	16204	\$300.15	\$300.15	\$0.00	\$300.15	

VACANT GROCERY STORE
ADDENDA

Project #: 8968
Project Name: Columbus Sentry / Ace
Street Address: Lot 2, Commerce Center
City: Columbus
State: Wisconsin



Equipment Budget to Actual							
EQ #	DESCRIPTION	P.O. #	Budget	P.O. Amount	Remaining Balance	Actual Invoiced	Serial #
D11	Exhaust Hood 14'-6" x 56"		by HVAC				
D12	4 Comp Sink - 24" Bowls and 24" DB each side	16057	\$2,655.29	\$2,655.29	\$0.00	\$2,655.29	
D13	High Temp Ventless Dishwasher	16278 + c/o	\$16,000.00	\$16,000.00	\$0.00	\$16,000.00	D150212371
D14	(13) 24"x48" Metro shelves, MetroSeal, Mobile	16278	\$2,400.00	\$2,301.00	\$99.00	\$2,301.00	
D15	(6) 24"x48" Metro shelves, Chrome, Mobile	16278	\$1,200.00	\$1,062.00	\$138.00	\$1,062.00	
D16	(2) Slicers	16278	\$7,000.00	\$5,600.00	\$1,400.00	\$5,600.00	02195766, 3050005159
D17	(3) Scales	16294	\$6,975.00	\$6,975.00	\$0.00	\$6,975.00	BU-105-2091 31-125-4893 BU-102-7379
D18	Left Side Dishwasher Table w/ Disposal Chute	16057	\$855.65	\$855.65	\$0.00	\$855.65	
D19	Garbage Disposal	16278 + c/o	\$3,240.78	\$3,240.78	\$0.00	\$3,240.78	153283/2311913
D20	Right Side Dishwasher Table	16057	\$337.25	\$337.25	\$0.00	\$337.25	
D21	(2) Wall Mount Shelves 14"x48", epoxy	16278 + c/o	\$54.76	\$54.76	\$0.00	\$54.76	
D22	Combi Oven Filter	INC -With D7	\$0.00	\$0.00	\$0.00	\$0.00	
	Smallwares		\$15,000.00	\$12,468.86	\$2,531.14	\$12,468.86	
	Subtotal		\$95,357.77	\$89,713.36	\$5,644.41	\$89,713.36	
	Front End Office (FE)						
FE1	(2) 14' Style check lanes	16297	\$15,590.00	\$15,590.00	\$0.00	\$15,590.00	41891-31903, 41891-31904, 41891-31905, 41891-31906
							Registry: 54-47449564, 54-47449565 54-47449566, 54-47449567 54-47449568, 54-47449569 54-47449570 Tropics: 87804017, 87799119 47803981, 47803972, 47804052 47827158, 46936030 Pallet: P40F161163, P40F161164 P40F161154, P40F161155 P40F161156, P40F161157 P40F161158, P40F161159 Cable: 109-50336003 109-50336004, 109-50336005 109-50336006, 109-50336007 109-50336008, 109-50336009 109-50336010, 109-50336011 17" Monitor: 1627725 1536126, 1627727 Workstation Computer: 1627726, 1627728, 1627729 1536126, 1627727 Barcode: F14M02174, F14M02175, F14M02176, F14M02177, F14M02178, F14M02179, F14M02180, F14M02181, F14M02182, F14M02183, F14M02184, F14M02185, F14M02186, F14M02187, F14M02188, F14M02189, F14M02190, F14M02191, F14M02192, F14M02193, F14M02194, F14M02195, F14M02196, F14M02197, F14M02198, F14M02199, F14M02200, F14M02201, F14M02202, F14M02203, F14M02204, F14M02205, F14M02206, F14M02207, F14M02208, F14M02209, F14M02210, F14M02211, F14M02212, F14M02213, F14M02214, F14M02215, F14M02216, 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VACANT GROCERY STORE
ADDENDA

Project #: 8968
Project Name: Columbus Sentry / Ace
Street Address: Lot 2, Commerce Center
City: Columbus
State: Wisconsin



Equipment Budget to Actual							
EQ #	DESCRIPTION	P.O. #	Budget	P.O. Amount	Remaining Balance	Actual Invoiced	Serial #
G11	Floor scrubber	16335 + c/o	\$9,369.00	\$9,369.00	\$0.00	\$9,369.00	N4000063204
G12	Burnisher-OUT	OUT	\$0.00		\$0.00		
G13	(4) U-boats	16051	\$445.48	\$445.48	\$0.00	\$445.48	
G14	(2) 2 wheel dolly	16051	\$128.34	\$128.34	\$0.00	\$128.34	
G15	(4) L-Carts	16051	\$844.56	\$844.56	\$0.00	\$844.56	
G16	(2) two-tier stock carts	16051	\$250.06	\$250.06	\$0.00	\$250.06	
G17	Lockers	16350	\$514.18	\$460.36	\$53.82	\$460.36	
G18	Ladders (owner purchase)		\$600.00		\$600.00		
G19	Electric Pallet Jack	16361 + c/o	\$4,398.00	\$4,398.00	\$0.00	\$4,398.00	030471A
G20	Manual pallet jacks	16200 + c/o	\$309.00	\$309.00	\$0.00	\$309.00	7-900304 7-900303, 7-900302
G21	Eye Wash Station (manual)		\$50.00		\$50.00		
G22	Mgns. Office Furniture	16518	\$2,500.00	\$2,350.42	\$149.58	\$2,350.42	
G23	Conference Room Furniture	16569	\$2,000.00	\$1,527.01	\$472.99	\$1,527.01	
G24	Customer Service Furniture		\$500.00		\$500.00		
G25	Dept. Mgns. Office Furniture	16570	\$1,000.00	\$986.37	\$13.63	\$986.37	
G26	Hardware Mgns. Office Furniture		\$500.00		\$500.00		
G27	Receiving Desk	16051	\$155.25	\$155.25	\$0.00	\$155.25	
G28	Time Clock (Supervisory)	By S.V.	\$0.00	\$0.00	\$0.00		
G29	Breakroom sink		\$170.00		\$170.00		
G30	Breakroom Refrigerator (By Owner)		\$500.00		\$500.00		
G31	Breakroom Furniture		\$1,000.00		\$1,000.00		
G32	Breakroom Microwave (by Owner)		\$150.00		\$150.00		
G33	Outside Trash Cans	16368	\$3,000.00	\$1,096.75	\$1,903.25	\$1,096.75	
G34	(4) Cart Corals - Double Wide	16051	\$653.30	\$653.30	\$0.00	\$653.30	
		16352, 16468, 16470, 16474, 16500					
G35	Misc. Merchandising Accessories		\$3,500.00	\$3,127.26	\$372.74	\$3,127.26	
	Low Voltage Wiring	16576	\$4,000.00	\$1,192.85	\$2,807.15	\$1,192.85	Workstation Computer: 152729
	Smallwares		\$5,000.00	\$2,585.44	\$2,414.56	\$2,585.44	
	Subtotal		\$114,307.43	\$98,852.30	\$14,955.13	\$99,852.30	
	Liquor (L)						
L1	Smallwares		\$1,000.00	\$0.00	\$1,000.00	\$0.00	
	Subtotal		\$1,000.00	\$0.00	\$1,000.00	\$0.00	
	Meat (M)						
M1	Hand Sink	16096	\$214.20	\$214.20	\$0.00	\$214.20	
M2	3 Comp Sink - 14"x30" Bowl, (2) 18" DB	16056	\$1,948.96	\$1,948.96	\$0.00	\$1,948.96	
M3	(4) 72"x30" Poly top tables w/BS	16056	\$1,889.56	\$1,889.56	\$0.00	\$1,889.56	
M4	Meat Saw - Reconditioned	16247	\$6,000.00	\$6,034.00	\$1,966.00	\$6,034.00	27-1164-872
M5	Mixer/Grinder	16077	\$7,496.00	\$7,496.00	\$0.00	\$7,496.00	27-1109950
							Printer: SNB11140366, Control Panel: SNB11133915, Conveyor Table: SNB51070528, 051007797 & 311271230
M6	Auto Wrapper w/ Conveyor - Reconditioned	16098	\$21,200.00	\$21,200.00	\$0.00	\$21,200.00	
M7	Wrapping station w/ scale	16077	\$4,356.00	\$4,356.00	\$0.00	\$4,356.00	
M8	(2) 22"x 48" Dunnage Rack	16059	\$136.62	\$136.62	\$0.00	\$136.62	
M9	(3) 22"x 60" Mobile Tied Dunnage Rack	16059	\$950.13	\$950.13	\$0.00	\$950.13	
M10	(3) 12"x48" Wall Mount Boat Racks	16059	\$285.66	\$285.66	(\$0.00)	\$285.66	
M11	Tenderizer	16077	\$1,817.00	\$1,817.00	\$0.00	\$1,817.00	ABE55623
M12	14" x 48" Wall Mount Metro Shelf, MetroSeal	16077	\$87.98	\$87.98	\$0.00	\$87.98	
M13	(4) Tall Meat Platter Carts - Verify Platter Size	16059	\$491.84	\$491.84	\$0.00	\$491.84	
M14	(2) Short Meat Platter Carts - Verify Platter Size	16059	\$94.81	\$94.81	\$0.00	\$94.81	
M15	Shop Desk	16059	\$155.25	\$155.25	\$0.00	\$155.25	
M16	Sausage Stuffer	16097	\$16,000.00	\$7,646.25	\$8,353.75	\$7,646.25	7201
	Smallwares		\$10,000.00	\$5,798.61	\$4,201.39	\$5,798.61	
	Subtotal		\$75,124.01	\$60,602.67	\$14,521.34	\$60,602.67	
	Millwork (MW)						
MW1	Community Board	16479	\$1,100.00	\$1,100.00	\$0.00	\$1,100.00	
MW2	Floral Service/ Floral Counter	16299 + c/o	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	
MW3	Floral Prep counter/ Cust Service	16299, 16479	\$6,000.00	\$6,000.00	\$0.00	\$6,000.00	
MW4	Count Down Counter/Cabinets	16299	\$1,200.00	\$575.00	\$625.00	\$575.00	
MW5	Cash Office Millwork	16299	\$350.00	\$250.00	\$100.00	\$250.00	
MW6	Produce Wedge Display	16299 + c/o	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	
MW7	(2) Deli Wedges	16299 + c/o	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	
MW8	Break Room Cabinets and Top	16479	\$2,500.00	\$2,500.00	\$0.00	\$2,500.00	
MW9	Managers Office Cabinets and Top	16299	\$1,500.00	\$1,250.00	\$250.00	\$1,250.00	

VACANT GROCERY STORE
ADDENDA

Project #: 8968
Project Name: Columbus Sentry / Ace
Street Address: Lot 2, Commerce Center
City: Columbus
State: Wisconsin



Equipment Budget to Actual							
EQ #	DESCRIPTION	P.O. #	Budget	P.O. Amount	Remaining Balance	Actual Invoiced	Serial #
MW10	Dairy Shadow Box	16299 + c/o	\$450.00	\$450.00	\$0.00	\$450.00	
MW11	Frozen Shadow Box	16299	\$450.00	\$450.00	\$0.00	\$450.00	
MW12	Frozen Shadow Box	16299	\$450.00	\$450.00	\$0.00	\$450.00	
MW13	Liquor Shadow Box	16299 + c/o	\$450.00	\$450.00	\$0.00	\$450.00	
MW14	Managers Office Cabinets and Top	16299	\$2,000.00	\$1,200.00	\$800.00	\$1,200.00	
MW15	Hardware Managers Office Cabinets and Top	16299	\$1,200.00	\$900.00	\$300.00	\$800.00	
	Misc Millwork	16539	\$2,500.00	\$2,030.00	\$470.00	\$2,030.00	
	Subtotal		\$24,650.00	\$22,105.00	\$2,545.00	\$22,105.00	
	Produce (P)						
P1	Refrigerated Orchard Bins	16296	\$4,840.00	\$1,500.00	\$3,340.00	\$1,500.00	
P2	(7) Orchard Bin - 36"x36"x36" w/ Riser	16224 + c/o	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	
P3	(12) Orchard Bin - 36"x18"x30" w/ Riser shelves	16220 + c/o	\$2,400.00	\$2,400.00	\$0.00	\$2,400.00	
P4	(2) Orchard Bin - 36"x36"x36" w/ Slanted Shelves	16223 + c/o	\$1,500.00	\$1,500.00	\$0.00	\$1,500.00	
P5	Orchard Bin End - 72"x30"x36"	16225, 16262	\$3,500.00	\$3,462.00	\$38.00	\$3,462.00	
P6	(2) 72"x30" SS prep tables	16055 + c/o	\$750.00	\$750.00	\$0.00	\$750.00	
P7	Managers Desk	16049	\$155.25	\$155.25	\$0.00	\$155.25	
P8	1 Comp 24" Bowl, 24" DB LH	16055 + c/o	\$705.83	\$705.83	\$0.00	\$705.83	
P9	3 Comp 18x24" Bowl, 18x24" DB LH/RH	16055	\$1,875.76	\$1,875.76	\$0.00	\$1,875.76	
P10	Hand sink	16055	\$214.20	\$214.20	\$0.00	\$214.20	
P11	Scale	16082	\$2,325.00	\$2,325.00	\$0.00	\$2,325.00	
P12	Huat N Seal Table Top Hand	16078	\$298.82	\$298.82	\$0.00	\$298.82	31-135-3541
P13	(5) 22"x48" Durn	16049	\$341.55	\$341.55	\$0.00	\$341.55	1052519
P14	(3) 24"x48" Metro, Metroseal, Mobile	16078	\$525.24	\$525.24	\$0.00	\$525.24	
	Smallwares		\$10,000.00	\$9,469.20	\$530.80	\$9,469.20	
	Subtotal		\$34,531.65	\$30,522.85	\$4,008.80	\$30,522.85	
	Traffic Doors						
TD1	Floral cooler door 3-0 x 7-0	16086	\$834.21	\$834.21	\$0.00	\$834.21	
TD2	Produce cooler doors 6-0 x 7-0	16086	\$1,627.02	\$1,576.35	\$50.67	\$1,576.35	
TD3	Deli cooler door 3-0 x 7-0	16086	\$834.21	\$834.21	\$0.00	\$834.21	
TD4	(3) Meat prep room doors 3-0 x 7-0	16086	\$2,502.63	\$2,502.63	\$0.00	\$2,502.63	
TD5	Scullery - Backroom doors 6-0 x 8-0	16086	\$1,754.10	\$1,501.20	\$252.90	\$1,501.20	
TD6	Sales - Backroom doors 6-0 x 8-0	16086	\$1,887.30	\$1,501.20	\$386.10	\$1,501.20	
TD7	Sales - Backroom doors 6-0 x 8-0	16086	\$1,887.30	\$1,501.20	\$386.10	\$1,501.20	
	Subtotal		\$11,326.77	\$10,251.00	\$1,075.77	\$10,251.00	
	Walk-In Coolers/ Freezers (W)						
W1	Floral Cooler	15716	\$3,181.00	\$3,181.00	\$0.00	\$3,181.00	FX31421-008
W2	(4) Anthony Floral doors	16221	\$3,866.42	\$3,572.82	\$293.60	\$3,572.82	Alt# 2187349
W3	Produce cooler	15716	\$5,080.00	\$5,080.00	\$0.00	\$5,080.00	FX31421-007
W4	Bakery Freezer Deli Cooler	16718 + c/o	\$9,129.00	\$9,129.00	\$0.00	\$9,129.00	FX31421-001, FX31421-002
W5	Meat Prep/Meat Cooler	15716	\$15,599.00	\$15,599.00	\$0.00	\$15,599.00	FX31421-003, FX31421-004
W6	Dairy Cooler	15718	\$5,667.00	\$5,667.00	\$0.00	\$5,667.00	FX31421-006
W7	(9) Anthony Dairy Doors w/ Shelves	16221 + c/o	\$8,766.95	\$8,766.95	\$0.00	\$8,766.95	Alt# 2187349
W8	Grocery Freezer	15716	\$8,702.00	\$8,702.00	\$0.00	\$8,702.00	FX31421-005
W9	Beer Cooler	15716	\$5,390.00	\$5,390.00	\$0.00	\$5,390.00	FX31421-009
W10	(6) Anthony Beer Cooler Doors w/ Shelves	16221	\$5,867.13	\$4,845.19	\$921.94	\$4,845.19	Alt# 2187349
W11	Cooler auto door and Glass	16272, 16325, + c/o	\$6,000.00	\$6,000.00	\$0.00	\$6,000.00	
	Subtotal		\$77,248.50	\$76,032.96	\$1,215.54	\$76,032.96	
	Decor / Design						
	Decor Art Setup	8989-082	\$5,500.00	\$5,500.00	\$0.00	\$5,500.00	
		8989-082					
		16316, 16313					
		16324, 16325					
		16326, 16334					
		16315, 16352					
		16360, 16385					
		16297, 16471					
		16488, 16545					
	Decor Package	16568	\$70,000.00	\$70,000.00	\$0.00	\$70,000.00	
	Decor Package Installation	16314	\$7,500.00	\$7,500.00	\$0.00	\$7,500.00	
	Requirement Drawings / Pre-Construction Bid	Proposal	\$68,630.00	\$68,630.00	\$0.00	\$68,630.00	
	Store Design (Schematic)	Proposal	\$13,420.00	\$13,420.00	\$0.00	\$13,420.00	
	Refrigeration Design	51	\$7,500.00	\$7,500.00	\$0.00	\$7,500.00	



VACANT GROCERY STORE
ADDENDA

Project #: 8968
Project Name: Columbus Sentry / Ace
Street Address: Lot 2, Commerce Center
City: Columbus
State: Wisconsin



Equipment Budget to Actual							
EQ #	DESCRIPTION	P.O. #	Budget	P.O. Amount	Remaining Balance	Actual Invoiced	Serial #
	Subtotal		\$172,550.00	\$172,550.00	\$0.00	\$172,550.00	
	Miscellaneous & Installation						
	Cable Setting	15926 + c/o	\$13,500.00	\$13,500.00	\$0.00	\$13,500.00	
	Equipment Setting	16300	\$27,500.00	\$26,712.00	\$788.00	\$26,712.00	
	Walk-in Install	15926	\$13,000.00	\$8,100.00	\$4,900.00	\$8,100.00	
	Milwork Installation		\$5,500.00		\$5,500.00		
	Protection Bolards and Bumpers	16340, 16342	\$6,500.00	\$6,487.76	\$12.24	\$6,487.76	
	Protection Installation	16375 + c/o	\$1,800.00	\$1,800.00	\$0.00	\$1,800.00	
	Miscellaneous Metals		\$3,500.00		\$3,500.00		
	Security System (cameras, controls, etc.)	16275, 16550	\$60,000.00	\$61,751.00	\$8,249.00	\$61,751.00	
	Music	16273 + c/o	\$7,500.00	\$7,500.00	\$0.00	\$7,500.00	
	Phone & Intercom System	16274 + c/o	\$22,000.00	\$22,000.00	\$0.00	\$22,000.00	
	Building Signage	16322, 16323	\$40,000.00	\$38,443.00	\$1,557.00	\$38,443.00	
	Smallwares		\$7,500.00	\$6,001.17	\$1,498.83	\$6,001.17	
	Subtotal		\$208,300.00	\$182,294.93	\$26,005.07	\$182,294.93	
	Refrigeration						
	Rack and Condensor	15718	\$68,110.00	\$68,110.00	\$0.00	\$68,110.00	AR306552-1014
	ThermaStor	16337	\$2,800.00	\$2,270.00	\$530.00	\$2,270.00	
	Leak Detection	16337, 16342	\$7,500.00	\$7,170.00	\$330.00	\$7,170.00	
	Evaporators	15738 + c/o	\$15,000.00	\$15,000.00	\$0.00	\$15,000.00	LT1 665-1322-5315V115P1 (1) LT1 Grocery Freezer Equip LT2 480-1222-5315V115P1 (1) LT2 Bakery Freezer Equip MT 460-0257-5270V115 (1) MT1 Floor Cooler w/ Dr Equip MT 480-0287-5090V115 (2) MT2 Produce Cooler Equip MT 480-0288-5120V115 (2) MT3 Meat Prep Cooler Equip MT 650-0238-5120V115 (2) MT4 Meat Cooler Equip MT 650-1115-5214V115P1 (2) MT5 Dairy Cooler w/ Dr Equip MT 650-1116-5211V115P1 (2) MT6 Beer Cooler w/ Dr Equip MT 650-1116-5214V115P1 (2) MT7 Deli Cr Equip
	Installation	15738, 15670	\$132,705.60	\$132,705.60	\$0.00	\$132,705.60	
	PMAC Panel	16343	\$3,500.00	\$3,225.00	\$275.00	\$3,225.00	32524C3808190215, 1A305A40C796220
	Subtotal		\$249,615.60	\$248,480.60	\$1,135.00	\$248,480.60	
	Equipment Subtotal		\$1,589,252.29	\$1,498,005.97	\$90,246.32	\$1,498,005.97	
	Ace Package	Direct to Ace	\$161,700.00	\$161,700.00	\$0.00	\$161,700.00	
	General Conditions		\$148,917.00	\$148,917.00	\$0.00	\$148,917.00	
	Contingency (Change orders & Fees)		\$205,464.52	\$163,038.00	\$45,426.52	\$163,038.00	
	Estimated Freight @ 4 %		\$70,254.55	\$53,065.55	\$17,189.00	\$53,065.55	
	Estimated Tax @ 5.5%		\$113,461.88	\$80,979.81	\$22,482.07	\$80,979.81	
	EQUIPMENT TOTAL:		\$2,292,950.24	\$2,116,706.33	\$175,343.91	\$2,116,706.33	



VACANT GROCERY STORE
ADDENDA

Project #: 8969
Project Name: Columbus Sentry / Ace
Street Address: Lot 2, Commerce Center
City: Columbus
State: Wisconsin

Mehmert
STORE SERVICES

Equipment Budget - General Conditions						
Item #	DESCRIPTION	P.O. #	Budget	P.O. Amount	Remaining Balance	Actual
	General Conditions					
	Administration	011, 021	\$12,000.00	\$12,000.00	\$0.00	12,000.00
	Blue Print Reproduction				\$0.00	
	Equipment Liability Insurance	011, 021	\$5,992.00	\$5,992.00	\$0.00	5,992.00
	Equipment Management	011, 021	\$48,625.00	\$48,625.00	\$0.00	48,625.00
	Legal				\$0.00	
	Travel	011, 021	\$4,200.00	4,200.00	\$0.00	4,200.00
	Equipment Related Project Management	011, 021	\$78,100.00	\$78,100.00	\$0.00	78,100.00
	TOTAL:		\$148,917.00	\$148,917.00	\$0.00	\$148,917.00



Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions

of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)



Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and

The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

The date on which the appraisal or review opinion applies. (SVP)

In a lease document, the date upon which the lease goes into effect. (Dictionary)



Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties,

a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

The time a property remains on the market. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal;

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)



Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern or market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

Gross leasable area plus all common areas.

For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied

space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)



[The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he

or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.



The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;

- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified



terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)



Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

VTAB

Value of the Total Assets of a Business. The value of a going concern (i.e. the business enterprise). (Dictionary)



VACANT GROCERY STORE
ADDENDA

Qualifications



Qualifications of Gary K. DeClark, MAI, CRE, FRICS, R/W-AC
Senior Managing Director
Valbridge Property Advisors | Chicago Metro



Independent Valuations for a Variable World

State Certifications

Certified General
States of Illinois, Indiana,
Michigan, and Wisconsin

Education

Masters of Arts
Real Estate and Urban
Development
University of Georgia

Bachelor of Science
Finance
University of Illinois

Membership/Affiliations

Member: Appraisal Institute – MAI Designation
Member: Counselors of Real Estate – CRE Designation
Fellow: Royal Institution of Chartered Surveyors – FRICS
Designation
Member: International Right of Way Association – R/W-AC
Designation
Member: Chicago Estate Planning Council

Appraisal Institute & Related Courses

Continuing education courses and seminars taken through the Appraisal Institute, Counselors of Real Estate, International Right of Way Association and other real estate organizations.

Experience

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Managing Director
Integra Realty Resources – Chicago Metro (1999-2014)

Valuation and consulting assignments include unique and unusual property types, special purpose parcels, partial and full takings in eminent domain including temporary and permanent easements, fractional interests, condominium developments, apartments, vacant land, office buildings, hotels/motels, service stations, retail, industrial warehouse and manufacturing plants, research and development facilities, landfills, contaminated properties, properties with construction defects, and review appraisals.

Mr. DeClark has provided valuation services in a wide variety of complex civil litigation including real estate, land use cases, condemnation, estate matters, property taxation, contract disputes, partnership and corporate disputes, environmental lawsuits, professional negligence cases, financing, construction defects, and bankruptcy/creditors matters.

Qualified as an expert witness in federal district courts in northern Illinois, northern and southern Indiana, and southern New York, county circuit courts in Illinois of Cook, Lake, McHenry, Winnebago, Ogle, Dekalb, DuPage, Kane, Grundy, Kendall, Kankakee, Champaign, Peoria and Tazewell. Indiana counties include Lake and Marion. Wisconsin



counties include Kenosha, Racine, Milwaukee, Brown and Dane. Other venues include the U.S. Tax Court and various real estate Tax Tribunals or Appeals Boards in Illinois, Indiana, and Wisconsin. He is a highly experienced forensic appraiser having provided testimony in many trials/hearings over 37 years of practice.



VACANT GROCERY STORE
ADDENDA

EXPIRES: 12/14/2019

NO. 261 - 10

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that

GARY K DECLARK

was granted a certificate to practice as a

**CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY
RELATED TRANSACTIONS IS AQB COMPLIANT**

in the State of Wisconsin in accordance with Wisconsin Law

on the 12th day of June in the year 1992.

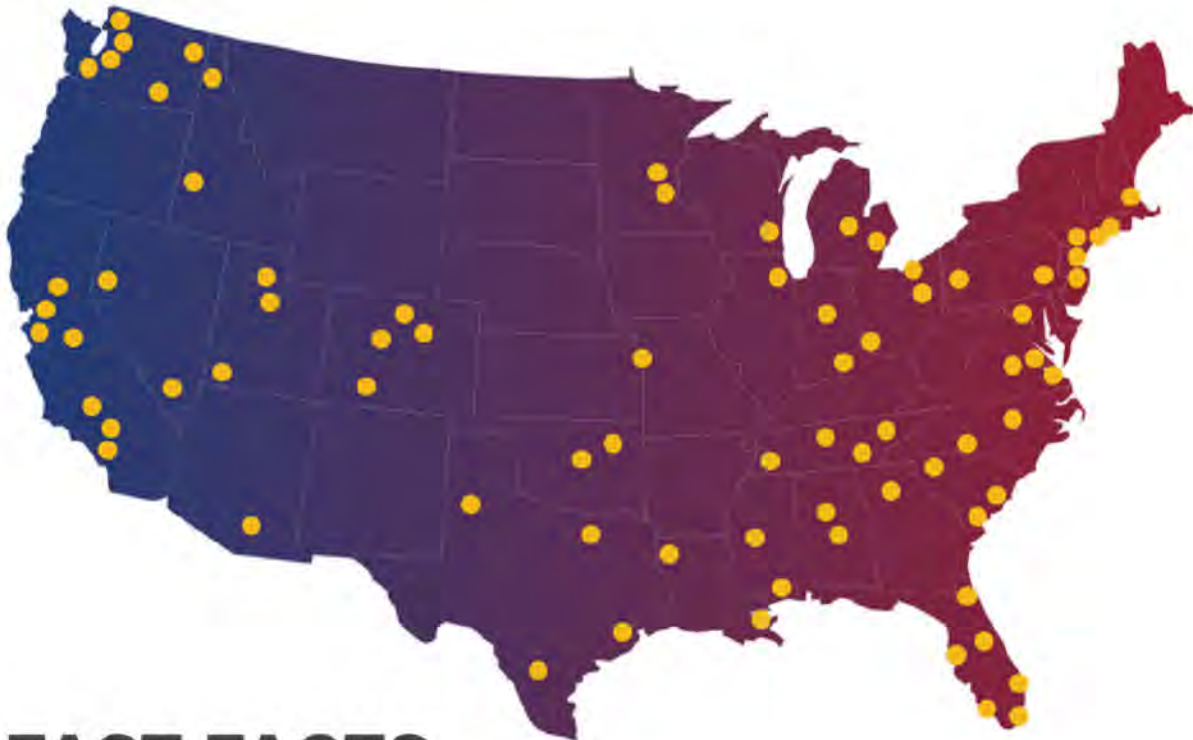
The authority granted herein must be renewed each biennium by the granting authority.

*In witness thereof, the State of Wisconsin
Department of Safety and Professional Services
has caused this certificate to be issued under
its official seal.*



Laura E. Gutierrez
Secretary

This certificate was printed on the 14th day of December in the year 2017



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent national commercial real estate valuation and advisory services firm in North America.
 - Total number of MAI-designated appraisers: 200+ on staff
 - Total number of office locations: 70+ across U.S.
 - Total number of staff: 675+ strong
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge services all property types, including special-purpose properties.
- Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.
- Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by our local office leaders.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.



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